

OVERSEAS NEWS

US statistics point to slowing of growth rate

By Anthony Harris in Washington and Janet Bush in New York

THE US bond and stock markets rose strongly yesterday on the strength of three news items which were read as confirming that the economic expansion is slowing to a sustainable rate.

US financial markets had stagnated all week as they waited for yesterday's unemployment report and bounced strongly as soon as the figures were published.

Dukakis goes on the offensive

By Lionel Barber in Washington

GOVERNOR Michael Dukakis took the offensive yesterday with a series of attacks in speeches and TV advertisements on Vice-President George Bush's inexperienced running-mate, Senator Dan Quayle.

The Republicans countered with President Ronald Reagan, who declared that this year's election was "a referendum on liberalism in America".

not the specific policies - espoused by Congressman Richard Gephardt of Missouri, who campaigned for the Democratic nomination this year.

Case of racist sexual attack on girl 'a sham'

By Janet Bush in New York

THE inflammatory case of Tawana Brawley, the black teenager found last November covered with excrement and daubed with white marks, officially closed on Thursday when a Grand Jury concluded that her tale of abduction and sexual torture was a sham.

Yugoslav province calm after leaders step down

By Aleksandar Lebl in Belgrade

THE overheated atmosphere in Novi Sad, the capital of the Yugoslav autonomous province of Vojvodina, has calmed down after the party leadership of the province and the city stepped down on Thursday.

Olive crop 'weapon' in West Bank

By Andrew Whitley in Jerusalem

OLIVES, the mainstay of the West Bank agricultural economy, look set to become the next victim of the continuing unrest in the Israeli-occupied territory.

Israeli arms buyers win immunity in US inquiry

By Andrew Whitley in Jerusalem

DIPLOMATIC immunity has been granted by the US to a big contingent of Israeli Government arms purchasers involved in a Justice Department investigation over the possible illegal acquisition of sophisticated military technology.

Hard line towards Chilean opposition

By Mary Helen Spooner in Santiago

THE Chilean Government is adopting a hard-line approach to any negotiations with the opposition in the wake of General Augusto Pinochet's defeat in the presidential plebiscite on Wednesday.



Gen Pinochet resumes his military uniform on television

end of next year and for Gen Pinochet to remain in office until March 1990.

in the coming months is likely to be difficult. These tough statements came as the security forces clamped down on demonstrators, and Santiago was tense in advance of a major opposition victory rally, due late yesterday.

Lives lost in Algiers violence

By Francis Ghiles

THE NEW military authorities for Algiers announced yesterday that riots in the city this week had claimed a number of lives among protesters and the security forces. They were not more specific.

ment that he regretted the loss of life. Early yesterday Algerians queued for bread in the capital as calm appeared to be returning to the city.

on large gatherings, clashed with police outside at least two mosques in Algiers after the prayers, notably in Bab el Oued, one of the hotspots of the violence this week.

Iran accuses Iraq of ceasefire violation

By Victor Mallet

IRAN yesterday accused Iraq of numerous violations of the Geneva ceasefire agreed on August 20, although hopes rose at the United Nations this week that deadlocked peace talks between the two countries might at last begin to make progress.

EC states agree stance on Lomé talks

By David Buchan in Brussels

EC member governments have agreed a mandate for the European Commission to start negotiations next week for a fourth renewal - beyond 1990 - of the Lomé Convention that gives aid and trade preferences to 66 African, Caribbean and Pacific (ACP) states.

Some 96 per cent of ACP farm exports enter the EC without restriction or duty. Compromises have also been reached on the Community's opening positions on structural adjustment aid and export stabilisation (Stabex) loans.

Flights between Algeria and France have been severely disrupted since Thursday.

Malawi debt

Malawi has signed a debt restructuring agreement with its 36 commercial bank lenders, following the rescheduling of its Paris Club debt earlier this year.

Soviet police adopt soft line on dissident protest

By Quentin Peel in Moscow

THE Soviet Union celebrated its Constitution Day yesterday with a resounding call for the rule of law to prevail - in the columns of Pravda - and illegal demonstrations for a new constitution on the streets of Moscow and Leningrad.

enlarging Lomé's geographic scope, member states have agreed that Namibia, if it becomes independent of South Africa, can join the convention, while leaving in abeyance the requests of Haiti and the Dominican Republic to join.

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Nigerian strike

Striking Nigerian power workers who blocked out much of the country for two nights have agreed to call off their action, the national electricity company said yesterday.

France hit by labour discontent

By Paul Betts in Paris

RIISING labour discontent in France is beginning to have serious repercussions on several key institutions and industrial sectors.

then abstained from using force to disperse the rest of the onlookers, although they tried to persuade them to leave. The kid-glove approach was in sharp contrast to the last Democratic Union demonstrations in August and September, when dozens were detained and the streets forcibly cleared.

Yesterdays industrial action by prison officers led to the postponement of the trial of the leaders of the left-wing Action Directe terrorist movement accused of assassinating Mr George Besse, chairman of Renault. The action, which has severely disrupted the judicial system, is aimed at achieving better pay and conditions in the chronically overcrowded prison system.

Burmese 'alienated'

The Burmese army, alienated from the people of Rangoon by a campaign of bloody suppression, is eager to hand over power to an elected government, diplomats there say, Reuters reports from Bangkok.

Aquino order

Philippines President Corason Aquino yesterday ordered officials to ignore representations made by her relatives or people claiming to be her relatives and to file charges against those who invoke her name to obtain favours, AP writes.

Chinese car figures

China aims to produce 700,000 cars by the year 2000, up from 58,000 in 1988, the chairman of the National Automotive Corporation, Chen Zhibao, said, Reuters writes from Peking.

US-Greek talks

The US and Greece ended their latest talks on American military bases yesterday with the installations still under threat of closure in 1990, Reuters reports from Athens.

Poll test for Martens

By Tim Dickson in Brussels

THE four-month-old Belgian government of Mr Wilfried Martens faces its first major hurdle in local elections tomorrow.

Not defeat his Government

not defeat his Government from pursuing the major constitutional changes aimed at turning Belgium into a more federalist state and from continuing the tough budgetary policies which have improved Belgium's economic health in the last six years.

stay and elect its new president

stay and elect its new president, or whether it should be dissolved and an extraordinary party conference convened to elect a new provincial committee. It is clear that in any case, personnel changes will be widespread.

Opera House aims to revive heyday of Cairo's arts

Tony Walker visits the Japanese-built centrepiece of an Egyptian arts complex

FOR US, less is more," declared Mr Koichiro Shikida, the project manager for the new Cairo Opera House that is to be opened on Monday. The starkly beautiful design marries a simple Islamic exterior with a functional Japanese interior to produce one of the most graceful buildings in the Arab world.

metres on a unique site on Gezira Island in the Nile, facing towards the city centre and the Citadel in the hills beyond. It is the centrepiece of a number of buildings devoted to the arts and science.



Cairo's new Opera House: hopes of renaissance

built to commemorate the opening of the Suez Canal in 1869, on a site still known as Opera Square, but now dominated by a car park.

Remarkably, for a construction project in Egypt where delays are commonplace, the building was finished right on time in March this year after 34 months, by the Kajima Corporation of Japan under the supervision of the designers, Nikken Sekkei. The Japanese estimate that between 300,000 and 400,000 Egyptian workers were involved.

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OVERSEAS NEWS

South Korea scraps ban on trade with the North

SOUTH KOREA is to lift its ban on trade with its arch-rival North Korea and has proposed talks on forming a single economic community, Reuters reports from Seoul.

Mr Rha Woo-yeon, the Deputy Prime Minister, said any inter-Korean trade would be regarded as "internal trade within the national community" and therefore be duty-free.

Until now, South Koreans importing North Korean goods could have been prosecuted under a national security law banning all pro-Pyongyang activities, which carried a maximum penalty of death.

Mr Rha, who is also Minister for Economic Planning, said Seoul would encourage traders from both sides to visit each other's country or to meet in third countries to discuss business.

"It would be desirable to form a common economic community between South and North Korea because we should prosper together as one nation," he said.

He acknowledged there would be no immediate flourishing of trade unless the North agreed to his proposal, but said South Korean companies could now buy North Korean products through third countries.

"Labels on North Korean goods showing their origin will not be removed and consumers can now purchase products with North Korean brand names within our country," Mr Rha said.

North and South Korea held several rounds of trade talks at the border village of Pannunjom in 1985, but Pyongyang called them off the following year, protesting at joint military exercises between Seoul and Washington.

Mr Rha said that, judging from the 1985 border contacts by economic officials and business leaders, Seoul could buy North Korean anthracite, iron ore, magnesite clinker, cod and corn, while selling steel and textile products to the North.

The move is the latest in a series of peace offensives towards North Korea launched by President Roh Tae-woo, who has committed himself to laying the groundwork for Korean reunification before his term ends in 1993.

Taipei's shares continue free fall

By Bob King in Taipei

THE TAIPEI stock index yesterday continued its free-fall, shedding another 171.39 points to close at 7,252.29. One analyst said the only direction was down for the near future.

Trading was worth T\$150m (23m). The daily average was T\$40m-\$50m during the hectic and optimistic weeks of August and early September when it seemed the bubble would never burst.

But, burst it has, pricked by what is retrospectively seen as a minor intervention by the Government: the announcement on September 24 that from January 1 transactions exceeding T\$3m in a calendar year would be subject to capital gains taxes. The panic that has set in as a result shows how fragile Taipei's house of cards was.

The Government is clearly in a quandary: about the only thing that will halt the market's fall would be further concessions, such as the decision last week to raise the ceiling of excluded transactions to T\$10m and to halve a surcharge on transactions from 0.3 per cent to 0.15 per cent - or to abandon the gains tax entirely.

Japan finds something to worry about

Ian Rodger on anxiety at a private sector capital spending boom

THE Japanese economy has been performing so well recently that economists have been hard pressed to find something to worry about. It is perhaps in this context that recent expressions of anxiety over the current private sector capital spending boom should be examined.

According to most forecasts, investment in manufacturing, for example, will rise by more than 20 per cent in the fiscal year to next March. At first these forecasts were widely welcomed by economists who had been looking for something to take over from spending on housing and public works the job of maintaining the momentum of growth.

However, in the last week or so, they have begun to see more ominous signs in the investment boom. The argument goes roughly as follows: the economy is already running at a high level, so any further acceleration in the growth of capital spending in the next few months could lead to production bottlenecks, especially for capital goods, and stimulate inflation.

Then, later next year, if as is widely expected, world economic growth slows, Japanese manufacturers could be caught with gross excess capacity, which would accentuate the downturn. Separately, there is also growing concern that this



Sumita: started economists

spending in such domestically-oriented industries as pulp and paper and food processing are likely to make companies in those industries better able to resist import competition.

"This economy is set to become more and more competitive," says Mr Ken Curtis, economist at DB Capital Markets (Asia) in Tokyo. Concern over the investment boom was sparked by a warning last week by Mr Satoshi Sumita, governor of the Bank of Japan, that further upward revisions of private capital spending plans in the next few months would "pose problems for the economy". Some economists were startled by the strength of this statement.

"If they really believe that, then the appropriate policy response would be to tighten monetary policy now to dampen investment growth," says Mr David Pike of UBS Phillips and Drew in Tokyo.

However, other Bank of Japan officials were quick to point out that Mr Sumita's remarks referred to a hypothetical situation. They say that the present level of capital spending is healthy.

Mr Munemichi Inouye, an economist with the large trading group Marubeni, argues that the current investment boom is being carried out by companies in the knowledge that manufactured product imports are growing rapidly, thanks to the rise in the yen's value. Thus, the potential inflationary impact from it is weak, he suggests.

Other economists have been worrying about the build-up of indications of impending inflation in recent months. The Organisation for Economic Co-operation and Development, in its recent annual report on Japan, also focused on this point. It observes that demand and capacity use have been high for months and that there is virtually no unemployment.

"The key factors in labour settlements are corporate profits, labour market conditions and inflation expectations. All are strong now, so we may be building wage growth into the system just as the economy slows," says Mr Pike.

For their part, Ministry of Finance officials have expressed concern that tax reductions contained in the tax reform plan currently before the Diet (parliament) could give a dangerous boost to the other strong sources of growth in the economy at the moment, consumer spending.

If, however, world economic growth slows significantly after the US presidential election, then many companies would presumably rein in their spending plans. And that would set off another set of worries.

Gorbachev plans visit to Pyongyang

By Quentin Peel in Moscow

MR Mikhail Gorbachev, the Soviet leader, is to visit North Korea at a date yet to be fixed. The announcement is intended to allay North Korean suspicions at Moscow's interest in developing relations with South Korea, and in urging both sides to settle their differences.

The trip replaces one scheduled to be undertaken by Mr Andrei Gromyko, who was replaced as President by Mr Gorbachev last week.

There is no doubt about the Soviet interest in developing relations with South Korea - as opposed to diplomat-

ic - were specifically held out by Mr Gorbachev as desirable in his Krasnoyarsk speech two weeks ago.

He then proposed talks by all countries bordering the Korean peninsula - apparently as a back-door way to promoting a settlement between Seoul and Pyongyang.

Australian miners agree big changes in work practices

By Chris Sherwell in Sydney

AUSTRALIAN miners have narrowly voted to accept radical changes in work practices, paving the way for big cost savings by coal companies and underpinning the country's position as the world's largest coal exporter.

The news is the second boost in a week for the troubled industry. Last weekend exporters of steaming coal secured their first price rise since 1982 in tough negotiations with Japanese utilities.

Yesterday the Miners Federation, the industry's principal trade union, confirmed it had agreed at a series of meetings in Queensland and New South Wales to change its entrenched and inefficient work practices.

Mr Tony Wilkes, Miners Federation national secretary, said some "districts" in New South Wales had rejected the changes but the overall vote - on national aggregate lines - was in favour of change.

The changes include an increase in shifts from seven to eight or even nine hours, introduction of a six-day week and an end to the traditional Christmas and public holiday breaks in favour of year-round operations. They also include a pay increase.

They were recommended by the one-man Coal Industry Tribunal last month, after a protracted tussle between the union and coal companies which saw at least three national work stoppages, the closure of numerous mines and the loss of thousands of jobs. Had the changes been spurned, further confrontation seemed inevitable.

Broking analysts say that, if the changes are successfully implemented, large open pit coal mines will see savings of 50 Australian cents per tonne while underground collieries might gain A\$3 (80.95) to A\$3 a tonne - no small margin when the price of steaming coal, for example, is around A\$44.

The changes are expected to bring a significant increase in production. One estimate predicts output of 151m tonnes for the year to June 1989, up from 137m tonnes in 1987-88. Of this, about 100m is expected to be exported.

It is set against the industry's prospective improvement in profitability will be the losses already notched up by the coal companies. According to the New South Wales Coal Association, the state's companies collectively lost A\$106m in the six months to last December, on top of losses in earlier years.

But Mr Wilkes warned that mineworkers were bitter at the way the changes had been thrust upon them, and that industrial relations would "continue to be difficult".

Talks on Manila yen loan start next week

By Richard Gourtley in Manila

JAPANESE officials arrive in Manila next week to agree an aid package which will ease Philippine budget and balance-of-payments pressures, but which also shows that the country needs less in new loans than it is asking from commercial creditor banks in New York.

The Japan Overseas Economic Development Fund's 15th yen loan is among a number of expected sources of capital taken into account in Philippine estimates of its financing gap for 1989-90, diplomats and bankers say.

Officials to Manila estimate this gap at \$3.1bn and were expected to ask commercial banks for at least \$1.5bn in new money in talks that began on October 4 in New York.

Before the talks, bankers said the Philippine request was based on "extremely conservative" assumptions or "back of envelope" calculations. They expected the negotiations to be inconclusive until the Philippines nailed down firmer estimates of its needs.

The 15th yen loan package will amount to at least Y80bn (\$602m), the size of the 14th yen package signed last year, a Japanese official in Manila said, but declined to comment whether it would reach the Y110bn figure requested by the Philippines. The package should be signed by December, he said.

About two thirds of the aid is likely to be in the form of commodity loans and co-financing with the World Bank and the Asian Development Bank and will probably flow in during 1989-90, the official said. In addition there will be at least \$100m of Japanese grant aid.

Commercial bank resistance to granting new loans is heightened, paradoxically, because the Philippines is studiously paying interest on its \$29bn debt. Had the banks refused to give new money after Manila announced a moratorium in 1983, all their loans could have been in jeopardy. Now banks know that a new dollar loan is immediately worth 47 cents less because of the discount on the secondary debt market.

They are also wary that Manila might use new money to buy back its own debt at a discount. The bankers have asked Manila to conclude talks with the International Monetary Fund on an extended fund facility, which Philippine officials say might be as much as \$1.5bn over three years, before committing new loans.

Other capital inflows not included in the Philippine projections include compensation for military bases used by the US; agreement for which is under review. President Corason Aquino expressed optimism this week that the review, blocked for six months, would soon be concluded.

US officials do confirm that "around" \$500m is currently on offer to the Philippines, of which all but the military credit component will provide toward capital flows.

Conservative Philippine estimates of other potential sources of capital appear better founded, observers say.

In November, aid donors will meet in Manila to discuss possible finance for the \$8bn, 10-year land reform programme for which the Government is preparing to implement guidelines.

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OVERSEAS NEWS

No peace, no war in Nicaragua

Tim Coone on an uneasy ceasefire at home and, below, the growing prospect for many rebels of settling for good in Miami

A BURNT-OUT Soviet-built tractor and a buckled trailer lies in a ditch in the middle of the Monterrey co-operative. This is the Nicaraguan war zone.

In the immediate surrounding hills, the dark green coffee bushes are laden with ripening beans. Heavy rains have turned the dirt road that leads to the co-operative into a rutted quagmire.

The wood and tin shacks of the 64 families that live there look like temporary dwellings. Indeed, many of the women only pass the day there. Only the men, armed with automatic rifles, stay the night and keep guard over their 400 hectares of land that was given them under the agrarian reform.

Shortly after dusk six weeks ago, a group of 100 Contras opened fire from the coffee plantations, and overran the co-operative for the fourth time in as many years. All the machinery was destroyed. The houses were looted. Nine people were killed - two of them

children. Another 11 were wounded.

I gave an 11-year-old boy a ride to the regional hospital for a check-up on his recovery. He sat silently, pale-faced in the front seat of the jeep, gritting his teeth at each bump in the dirt road. His stomach wound is still suppurating.

In the Nicaraguan mountains there exists an uneasy and nerve-racking situation of no-peace, no-war. Last week the Government announced a further one-month extension to the ceasefire, originally implemented last March as a prelude to the peace talks with the Contras of the US-backed Resistencia Nicaraguense (RN).

But since the talks were broken off last June, and the hard-line Colonel Enrique Bermudez took control of the RN the ceasefire has been tenuous.

Cradling an automatic rifle the head of the Monterrey co-operative said: "For us the ceasefire does not exist. Some are thinking of leaving. Some of us are determined to stay. The Contras are just a few

Contra purge threatens exile for most

RIGOBERTO no longer sports a military uniform. Instead he wears a pair of faded jeans, cowboy boots and a casual shirt.

Last December he led one of the most successful attacks made by the US-backed Contras against the Sandinista Government in Nicaragua when they temporarily seized three important mining towns in the central highlands of the country.

A few months later he, along with six other guerrilla commanders, were sacked for having accused the present leaders of the Resistencia Nicaraguense (RN) of corruption and for having supported a ceasefire agreement and an outline peace plan with the Sandinistas.

"We thought we were working towards an agreement in which there could have been a co-existence between the Sandinistas and the opposition," he said.

Today Rigoberto, who still uses this *nom de guerre*, lives in a cheap apartment in a

housing condominium on the outskirts of Miami, where hundreds of other poor Hispanic families live, many of whom barely speak a word of English. He, like the constant stream of Nicaraguan Contras now arriving in Miami, has no work permit, and is living on money lent by friends.

"I have not received a cent from the resistance since I was expelled. We have been totally cut off and abandoned."

He claimed that the recent exodus of Contras from Nicaragua to Honduras was not for lack of US funding. "It is due to a demoralisation and lack of confidence in the present leadership. I managed to keep a task force operating in Nicaragua for two years when the congressional funding was cut off in 1984 and 1985," he said.

The purge of moderate leaders took place between April and July, when the hard-line military commander, Colonel Enrique Bermudez, and it is suspected his US backers, felt the peace process was moving too fast towards an agreement.

Rigoberto and the other dismissed commanders (they were expelled from Honduras at gunpoint) are in charge of about 6,000 Contra troops, and are considered some of the most experienced and respected leaders of the Contra units. All led their forces in the field, and having come from the countryside themselves, developed close contacts with the peasant farmers and a social base capable of supporting their military operations.

Mr Pedro Jaquin Chamorro, one of the political leaders of the Contras and a negotiator at the last peace talks in June, and who was also subsequently purged from the RN leadership said: "There is no understanding in the US of the Nicaraguan opposition. They think leaders such as these can be easily replaced. Yet Rigoberto and the others are the only authentic leaders of the troops. By giving the control to Bermudez and his people the resistance is now exactly what the Sandinistas

UK NEWS

Motorway widening will avoid closures

A PLAN for widening motorways without closing lanes or saving concrete was unveiled yesterday by Mr Paul Channon, Transport Secretary.

It involves the building of half a motorway - three lanes and a hard-shoulder - alongside one of the existing two-lane carriageways. While this is done, traffic can use the existing motorway as normal.

When the new lanes are built, traffic will be transferred from one carriageway to the new length, while the existing motorway is adapted to make three new lanes and a hard shoulder.

When the work is finished, there is provision for a fourth lane if necessary later.

The first such widening project involves changing from two lanes to three a 13-mile stretch of the M5 between Worcester and Stroud, near Tewkesbury, Gloucestershire.

It is being seen by the Department of Transport as cheaper, safer and quicker than traditional widening methods. The department is to consider other motorway areas that may be suitable.

The M5 plan is called parallel widening. It is likely to start in early 1991, and will take 2½ years instead of the 4½ years that would be needed for traditional widening.

It will cost £77m - more than the old method - but the department believes the new method will save between £10m and £20m by reducing delays and accidents.

Mr Channon unveiled the M5 plan in Worcester yesterday. He said: "Because we must maintain our roads and sometimes widen them, comes and contrailor arrangements are a burden we all have to share. Here we have the opportunity to try a different approach."

Mr Channon said yesterday he remained strongly opposed to any increase in motorway speed limits. Such a move would lead to more accidents and more deaths.

There was scope for considerable improvement in motorists' motorway driving habits. Vehicles were still travelling too close together, he said.

CEGB raises forecast for power plant needs in 2000

AT LEAST 10 more power stations could be needed in England and Wales by 2000, according to the latest forecasts by the Central Electricity Generating Board.

These show a need for 15,000MW of new capacity by the turn of the century compared with the previous forecast of 11,500MW.

The increase in the amount of new plant the board believes will be necessary is roughly equivalent to three 1,200 MW pressurised water reactors (PWR) nuclear power stations - similar to the one being built at Sizewell in Suffolk or two of the latest 1,200 MW coal-fired plants.

The forecasts were disclosed yesterday by Mr Frank Jenkin, CEGB corporate director of strategic studies.

He was giving evidence on the fourth day of a public inquiry into the board's plan to build a PWR at Hinkley Point, Somerset.

Mr Jenkin said the new figures were in line with the area electricity board's own estimates and would be recommended to the Electricity Council on October 20 for formal adoption.

His department forecasts that the annual growth in the UK economy will exceed 3 per cent in the years up to 2000 and this was taken into account when estimating future demand.

He said the revised forecast for generating capacity also took into account a range of other factors.

These included closure of the board's first generation Magnox nuclear plants during the 1990s and closure of other old and uneconomic power stations, as well as further increases in the efficiency of electricity use.

In the light of the Magnox closures, at least two more PWRs, in addition to Sizewell B and the proposed Hinkley Point C, would need to be operating by 2000 to comply with the non-fossil fuel requirement of the Government's proposals to privatise the electricity supply industry.

The proposals stipulate that the proportion of non-fossil-fuel-generated electricity should not drop below the current 18 per cent level already in operation or approved for construction.

Mr Jenkin said the expected shortfall in non-fossil-fuel-generated electricity by the year 2000 was a minimum 3,200 MW. There was a risk this could rise to 4,400 MW if the second generation nuclear plants, the advanced gas-cooled reactors, did not perform as well as expected and the Magnox station at Wylfa, Anglesey, closed three years early in 1988.

The total amount of new capacity required could be reduced if it proved economic to keep old plant in operation longer or if power transfers from Scotland and France were stepped up.

However, it could also be increased if demand exceeded current forecasts and some plants had to be closed earlier than expected.

Building a PWR at Hinkley Point A cost £1.5bn would provide cheaper electricity than either wind or tidal power.

Although many objectors were calling for an energy conservation campaign, there could be little confidence that the investment would pay dividends, he said.

Court rejects appeal to speed up benefits

AN ATTEMPT to force the Government to speed up payment of benefit claims failed in the Court of Appeal yesterday.

Three judges dismissed a claim by a coalition of advice groups and local authorities that Mr John Moore, Social Services Secretary, was in breach of his statutory duty by failing to ensure that benefit claims were processed within 14 days.

In spite of their court defeat, the Child Poverty Action Group, the Association of Citizens Advice Bureaux and the London Boroughs of Hackney and Islington later claimed a "moral victory" in view of the judges' insistence that claims should be dealt with quickly.

Lord Justice Woolf, sitting with Lord Justices Balcombe and Cresswell, said it was "not possible for the court to draw a precise line as to what was and was not permissible."

However, it hoped its judgment would clarify the complex obligations on the Secretary of State under the 1975 Social Security Act.

Lord Justice Woolf said it was clear that parliament had intended benefit claims to be dealt with expeditiously.

However, the court was unable to accept the argument put forward by the charities and the two councils, acting on behalf of the Association of London Authorities, that once a claim form was properly filed in and handed to the Department, there were only 14

days in which to pass it on to an adjudication officer and for him to process the claim.

Yesterday's appeal was against a High Court decision last February that Mr Moore was not in breach of his duty by failing to ensure claims were processed within the 14-day period contained in the act.

The dispute centred on whether any investigation that needed to be carried out into claims should be done before or after the two-week period began.

The advice groups claimed that there were delays of six to nine months in some cases because the Department had misinterpreted the act by reading the 14-day period as running from the time the adjudication officer received the claim instead of from the time the form was submitted.

Dismissing the appeal with costs, the judges ruled that the Department was entitled to seek basic information before dealing with a claim. However, they said it could not delay processing claims once that information was available.

The judges refused leave to appeal to the House of Lords, but the advice groups and local authorities said they would consider seeking leave from the Law Lords.

They added: "The court has recognised the seriousness of delays and confirmed that the law requires that claims be dealt with quickly."

BRITISH industry is showing a more mature attitude to the computerisation of manufacturing processes, according to a survey published this week.

In previous years, most manufacturing companies did not have clear computerisation strategies, and most companies which claimed to have strategies did not consult with either their suppliers or their customers before developing systems.

According to a survey by Industrial Computing magazine, 76 per cent of companies now claim to have computerisation strategies, up from 46 per cent last year. Only 31 per cent of these said they had not consulted before determining strategies, down from 56 per cent in 1985.

Manufacturing companies are also training and recruiting more specialist staff to implement their computer strategies, so helping to remedy one of the main weaknesses that has been identified in the British approach to computerisation.

Nearly half the 470 companies surveyed said that they had recruited specialist staff, up from 28 per cent last year.

Even so, spending on computers in manufacturing is not growing as quickly as it did in the early 1980s. The companies surveyed said they would be spending an average of £231,000 over the next year on computer systems, 9 per cent up on the £213,000 the previous year.

Computer plans in industry 'more mature'

By Hugo Dixon

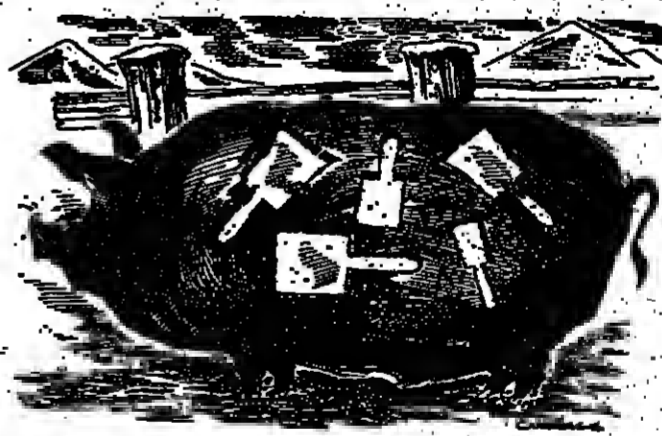
Finance house signs RAC deal

LOMBARD North Central, the finance house owned by National Westminster Bank, has signed a £4m deal to extend for another five years its sponsorship of the RAC rally, the UK's round of the World Rally Championships.

The latest agreement, which expires in 1993, makes the Lombard RAC rally by far the longest-running sponsorship deal in motor sport.

China unlikely to bristle at duties

Richard Donkin assesses anti-dumping curbs on paintbrush imports



THE CHINESE could be forgiven for wincing this week at the imposition of an unusually large 69 per cent provisional anti-dumping duty on all further imports of their paintbrushes into the EC.

They have a virtual monopoly on the market in hog's bristles so it would be natural to suspect that they might retaliate by increasing prices for bulk supplies.

However, they will neither wince nor retaliate, according to companies in the British paintbrush industry, which have been urging the anti-dumping duties for two years.

The notion that Peking would or could raise bristle prices is dismissed by those who have seen the results of devaluation over the past few years. The Chinese Animal By-products Corporation has far less direct control today over its 20 branches across the country, which often negotiate their prices directly with buyers.

Mr Herbert Samuel, chairman of Debeney Meyer, the London bristle merchant, said: "It is rubbish to suggest that they will retaliate. If they can't sell brushes, they have to sell more bristles. It's as simple as that."

Bristle prices range between 24 and 215 a kilo, about 23 a kilo for an average bristle, with lengths ranging from 1½in to 6in. About 4m kilos a year are imported into Britain out of China's total bristle exports of about 12m kilos a year. West Germany is the other large European importer, taking a fraction more than the UK.

British paintbrush manufacturers have no objections to bristle imports. Chinese bristles have been coming in for years. However, they take exception to the import of cheap Chinese paintbrushes, which started as a trickle about 25 years ago and developed into a flood.

ket, there is no reason why they cannot make them for the quality end. Brush manufacture is not exactly high technology," said Mr Sage.

The BBMA says 40m paintbrushes were bought in the UK last year, at a total cost of £28m. Of these, half were imported. Of these imported brushes 14m, worth £2.1m, came from China. Other significant exporters to Britain included West Germany (1m units), Italy (1.4m), Ireland (0.8m) and Hong Kong (2.1m).

British companies exported 4.1m paintbrushes, valued at £1.8m, last year, but a worrying downward trend in production volumes has continued in the last eight years. British producers had just over half the UK market in volume terms last year, against 56 per cent in value, whereas in 1980 they had 72.5 per cent in volume and 80 per cent in value.

The Hong Kong connection could be significant if the Chinese attempt to circumvent the duties. A proportion of the Hong Kong paintbrushes are thought to be made in China and many more could come through this route in future. Another way round the duties would be to export brushes through a non-EC country.

China has four months to object to the provisional anti-dumping duty before the European Commission confirms its decision, which will stay in force for five years. British paintbrush makers believe China is unlikely to put up a strong case after violating its original undertaking.

Mr Derrick Mosley, joint managing director of Mosley Stone, of Stockport, the largest British maker of paintbrushes said: "If the Chinese industry had been properly controlled through Peking as it used to be, I think they would have stuck to their undertaking. The devaluation has caused the problems."

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The Fund is now open and will close on November 30 unless the invitation is extended. Applications may be for a minimum of £2,500 up to a maximum of £40,000. The Inland Revenue has, as a concession, recently extended the deadline for carry back of income tax relief and thus, if investments are made on your behalf by October 26, 1988 you may deduct one-half of the amount invested for you, up to a maximum deduction of £5,000, from your 1987/88 income when the top income tax rate was 60%. To make investments for you by October 26, we need to receive your cheque by October 18 so contact us quickly to ask for our Memorandum.

For a copy of the Memorandum please telephone:
Jane Lamont or Anne Bamford on 01-486 5162,
01-486 1408 or 01-935 2731 or fill in the coupon below.
Alternatively, pick up a copy from 44 Baker Street or from Lazard Brothers at 21 Moorfields, London EC2.

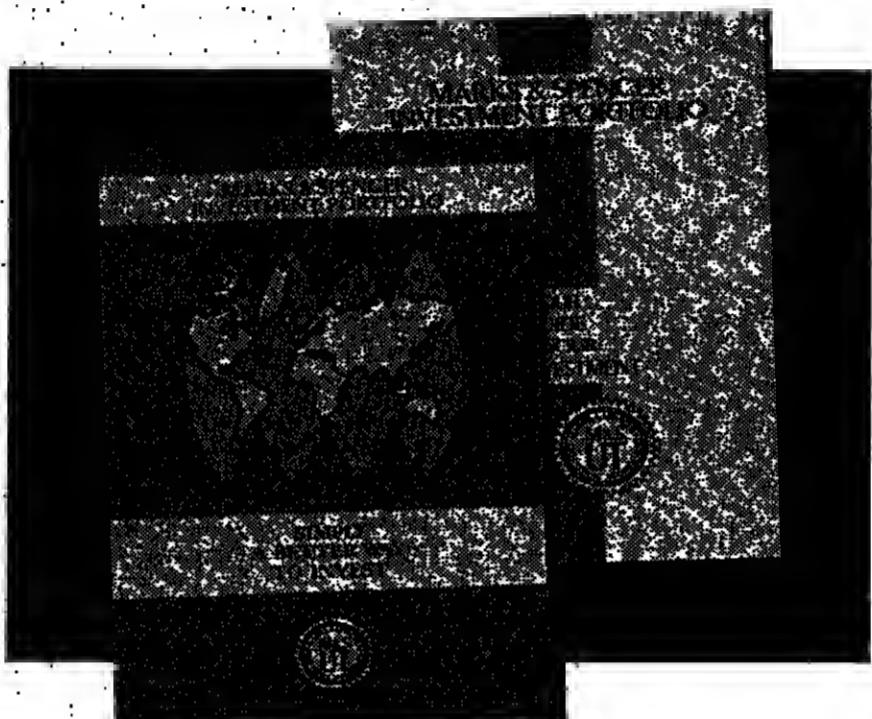
To: Lazard Development Capital Limited,
44 Baker Street, London W1M 1DH
Please send me a copy of the Memorandum for the Lazard Residential Property Fund.

Name _____
(BLOCK CAPITALS PLEASE)
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FT 1/30

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You can choose between two kinds of units - income or accumulation. Income units are designed to give a regular income while earnings from accumulation units will not be paid direct to you but will be added to the value of your investment. In time, there will be a difference between the price of income and accumulation units, calculated by reference to the value of the assets of the fund to reflect the fact that income is either paid out or reinvested. Regular Savings Plan units will be allocated, on an accumulation basis, at the price prevailing on the day of receipt of payment (4th of month). Prices and yields will be published regularly in the Financial Times and the Daily Telegraph. Income Distribution. These will be made on February 28th and August 31st each year. However, the only distribution in the first year will be made on June 12th 1988. At the same time all unitholders will receive a copy of the Manager's 6-monthly report. Tax. Income tax is payable on the income you receive from the fund if you buy income units or the income which is accumulated for your benefit if you hold accumulation units. Taxpayers who pay basic rate tax will have no further tax to pay on income. Higher rate taxpayers will have to pay a further amount, currently 15% at the end of the tax year. Tax on capital gains (currently levied

at the same rate as income tax) from sales of units will be payable if your total net gains from all sources is over the current annual Capital Gains Tax limit of £5,000. Any reference to tax is based on the Managers' understanding of current law and inland Revenue practice, which can change; changes cannot be foreseen. Tax, too, will depend on your individual circumstances. Charges. An initial charge of 5.5% receivable by the Managers is included in the initial price; out of this, commission is payable to intermediaries under LAUTRO rules. There is also a management charge of 1.5% per annum (plus VAT) of the fund's value, deducted monthly from the fund's income. The Trust Deed allows a maximum annual charge of 2%; any change to the charge is subject to 3 months' notice by the Managers. The Trust Deed also allows payment out of the fund of the Trustees' fee (plus VAT) together with other fees and expenses associated with the operation of the fund. Buying and Selling. Units can be bought or sold from 9am to 5.30pm on any business day at the offer or bid prices ruling at the next Valuation Point. Payment for units sold will be made within 5 business days of receipt of a renounced unit certificate. We will send you a contract note within 24hrs of processing of your

order. Certificates will be sent within 21 days of receipt of payment. Investment Policy. The fund will be invested in a spread of fixed interest stocks and UK and overseas equities. The proportions may be varied from time to time by the Managers. The initial allocation is planned to be as follows: UK Equities 60%, UK Fixed Income 20%, Overseas Equities 20%. Registered Office: Michael House, Baker Street, London W1A 1DN. Full details of this fund can be obtained from Marks & Spencer Unit Trust Management Limited, PO Box 410, Chester X CH99 9QG. The Managers' 6-monthly reports will also be obtainable on request as soon as they are available. More detailed terms and conditions are contained in the Scheme Particulars which are available from the Managers on request from the above address. If you are buying units in a Regular Savings Plan and you wish to stop doing so and your accumulated holding is less than £500, then you must sell all your units. No maximum bid/offer spread is stipulated in the Trust Deed and the Managers reserve the right to vary the pricing basis of units, subject to relevant regulations made under the Financial Services Act 1986.

UK NEWS

Britain threatens to pull out of Europe TV pact

By Raymond Snoddy THE GOVERNMENT yesterday warned the Council of Europe that it will not sign a proposed convention on trans-frontier television unless controversial rules on advertising are modified.



Timothy Renton: against more restrictions

Mr Timothy Renton, the Home Office minister responsible for broadcasting, said in London that Britain could not accept regulations more restrictive than the UK was used to and which would effectively end advertising in natural breaks in programmes.

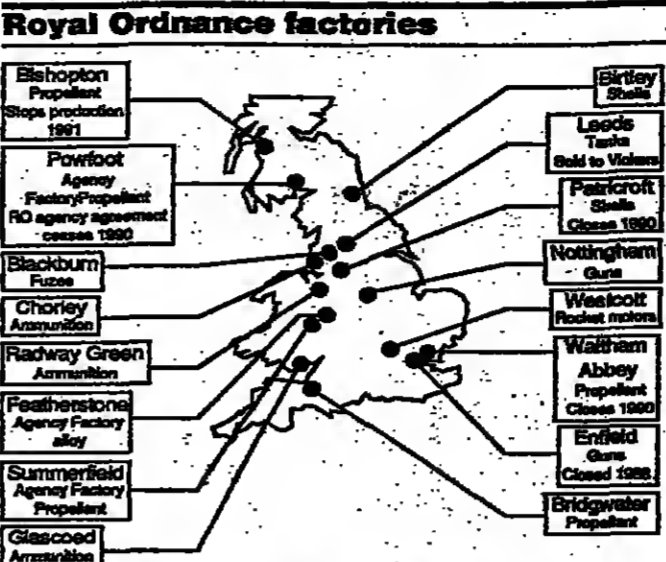
Observer is fined £5,000 for story on Al Fayeds

By Raymond Hughes, Law Courts Correspondent THE OBSERVER newspaper was yesterday fined £5,000 for contempt of court after admitting in the High Court that an article it published last June breached an undertaking the paper had given to the court two years earlier.

Royal Ordnance slims down for battle

Lynton McLain on the ammunition maker's painful adjustment to a competitive role

ROYAL ORDNANCE'S announcement that it is to close the Patricroft munitions factory in Manchester and to cease the manufacture of explosives and propellants at Bishopclee in Glasgow, yesterday caused some reminiscence of industrial relations in the 1970s.



Exports sagged to 15 per cent of turnover in 1982. The MOD took the bulk of the sales, which last year topped £31m. RO did not even have a properly constituted sales and marketing team in the period immediately before disposal.

British Aerospace bought Royal Ordnance while simultaneously agreeing with the MOD to do something about the high costs that had led to the increasingly sluggish export performance of the arms and munitions manufacturer.

Star Chamber to settle disputes over spending

By Ralph Atkins, Economics Staff THE GOVERNMENT is to set up the so-called Star Chamber to settle outstanding disputes over departmental spending in the next financial year.

Scottish agency 'will retain independence'

By James Buxton, Scottish Correspondent MR MALCOLM RIRKIND, the Scottish Secretary, attempted yesterday to dispel anxiety in Scotland that the independence of the Scottish Development Agency could be diminished.

Rebel plans thwarted by resolution

By David Barchard A STUDIOUSLY vague resolution may have thwarted plans by rebel members of Abbey National to force an extraordinary general meeting to discuss its proposed conversion into a public company.

Privatisation to go ahead

By Our Scottish Correspondent THE GOVERNMENT is to press on with privatising the National Engineering Laboratory, in spite of yesterday's announcement that YARD, its preferred bidder, has withdrawn from negotiations with the Department of Trade and Industry.

Atlantic routes go-ahead for private data services

By Terry Dodsworth, Industrial Editor PRIVATE telecommunications companies will be allowed to offer customers virtually any data services they wish on transatlantic routes, following an agreement between the US and the British governments.

Scottish Amicable buys City building for £50m

By Paul Chesswright, Property Correspondent SCOTTISH Amicable Life Assurance yesterday made its biggest property purchase in the City of London when it agreed to pay British Rail Pension Fund £50m for the Bank of America building, near St Paul's Cathedral.

Former Times home sold

By Our Property Correspondent THE FORMER home of The Times, near Kings Cross in central London, has changed hands for the third time since December. It has been bought by Central London Services, a private property company representing a consortium of foreign investors, for £42m.

Commercial vehicle sales rise to record level for September

By Kevin Done, Motor Industry Correspondent SALES OF commercial vehicles in the UK increased by 11.49 per cent in September to 32,009 units, a record total for the month, according to figures released by the Society of Motor Manufacturers and Traders.

Table with 4 columns: Volume (Units), Volume Change (%), Share (%), and Share (%). Rows include Total Market, Imports, and various vehicle categories like Small vans, Medium vans, and Trucks.

Tighter credit licence plea

By David Barchard THE PRESIDENT of the Chartered Institute of Bankers yesterday called on the Office of Fair Trading to tighten the issuing of credit licences to reduce the incidence of personal debt.

Paint group to close factory

By Joel Kibazo KALON GROUP, the West Yorkshire-based paints and chemicals company, yesterday announced the closure of its factory at Leyland, Lancashire - home of its Leyland brand name.

UK NEWS - EMPLOYMENT

Staff at Lloyds Bank are advised to ban overtime

By Michael Smith, Labour Staff

CLERICAL STAFF in Lloyds Bank are to be advised by their unions to ban overtime in protest at the bank's decision to extend opening hours...

Internal disruption but had a negligible effect on customers. Lloyds, the first bank in nearly 21 years to announce a long extension of hours in all of its branches, has no plans to recruit extra staff...

hour past their normal leaving time. The unions believe the amount of unpaid overtime will increase as a result of the hours extension...

Job-sharing a success, says survey

By Jimmy Burns, Labour Staff

ADVANTAGES of job-sharing in terms of retention for employees and efficiency in their companies emerge from an Industrial Society survey...

Drive against docks scheme to intensify

By Jimmy Burns and John Gapper

PORT employers and their supporters in the Conservative Party are to step up their campaign to end the jobs-for-life National Dock Labour Scheme...

future of the controversial labour scheme. The union said it would not release details of the ballot until Monday. It confirmed that the strike call had been lost narrowly...

Privatised water services 'to be ended'

WATER undertakings privatised by the Government should be returned to public ownership and control...

Mr Ian Partridge, general secretary of the staff union, said members supported moves to improve the competitive position of the bank provided they were not adversely affected...

Reports by Michael Cassell, Ivor Owen and Tom Lynch. Picture by Ashley Ashwood

of massive private monopolies and to lower standards of drinking and bathing water. To replace, he maintained that to put profits before the public interest meant taking a 'reckless gamble with the health and well-being of the British people'...

Britain, after nine years of Conservative government, was saddled with an abysmal list of environmental policy failures and one of the worst records in Europe...

Labour at Blackpool Voters 'will suspend judgment'

MR Neil Kinnock, the Labour leader, yesterday acknowledged that this week's internal disagreements over defence policy meant many potential Labour voters would 'suspend judgment' on the party until it had resolved the issue...



Time to wind up: Neil Kinnock with his wife checks his watch as the conference ends

His remarks came less than 24 hours after his party had rejected a leadership-backed motion embracing the possibility of achieving its non-nuclear objectives by unilateral, bilateral or multilateral means...

He claimed that the electorate would, in the absence of 'evasions and other diversions', support Labour in much greater numbers once reassured that the party could be trusted with the defence and the economy of Britain...

party unity. To applause, he said: 'The leadership deserves the trust of the members and the members deserve the trust of the leadership'...

General Workers' Union, in embarrassing Mr Kinnock. He said the party did not need trade union officers supporting proposals in the conference hall and then 'playing Judas to the media at fringe meetings'...

intimidate one woman delegate who wanted to express views contrary to theirs. Mr Whitty stressed that the policy review would continue into next year and the views expressed by the conference would be taken into account...

The new model party takes shape

Labour's pains and progress summed up by Michael Cassell

NOT for the first time a Labour Party conference has begun in high spirits and ended in the voting public is likely to regard as another good old, socialist shambles...

It was barely 48 hours after Mr Neil Kinnock and Mr Roy Hattersley, his deputy, had decisively snuffed out the amoungering challenge from the hard left that they were facing another setback to the principal task of reshaping their party's electoral appeal...

had skipped the issue altogether this year and saved its passion until it had something to attack or defend. It is now clear how the leadership intends to tackle the defence dilemma in the coming months...

review documents which represent the basis for the party's policy modernisation programme all went through while important rule changes aimed at further democratising the party were also accepted...

Rebel plans thwarted by resolution

By David Barclay

Rebel plans to challenge the resolution on job-sharing were thwarted by a resolution passed at the party conference...

Jaguar reports that 80% have returned after strike

By Richard Tomkins, Midlands Correspondent

MOST of Jaguar's 3,500 assembly workers reported for duty at the company's Browns Lane plant yesterday after an interim solution of the dispute that prompted a walkout on Wednesday...

man should return to his old area of work during discussions about this future. The unions dispute the management's claim that an offer on that basis had been made before the strike...

Lucas dispute deepening

By Richard Tomkins

A STRIKE involving nearly 300 workers at Lucas Aerospace's West Street plant in Coventry, West Midlands, entered its third week yesterday with the dispute apparently intensifying...

tes unless there is movement from the management soon. They also plan to seek support from workers at Lucas Aerospace's customers in the US...

Call to face up to concerns of rural voters

LABOUR has to win rural votes if it is to form another government, several delegates told the conference...

Ms Joan Maynard (Richmond, Yorkshire), a former MP, said 70-80 marginal seats each included 3,000 or more rural voters. 'We are not going to win them unless we show rural people we really care about the problems facing them'...

Private tenants 'to have right to choose landlord'

LABOUR would give private tenants the right to choose a new landlord, Mr Clive Soley, Labour's housing spokesman in the Commons, told the conference...

buyers and people seeking to trade up when they have children. This is wrong. What we want in its place is a fair system which makes it easier for people to switch from renting to buying and back again at different points in their lives...

FINLAND The Financial Times proposes to publish this survey on: 28th October 1988 For a full editorial synopsis and advertisement details, please contact: Chris Schaanning on 01-248 8000 ext 3699 or write to him at: Bracken House 10 Cannon Street London EC4P 4BY FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

Police rent allowances for arbitration

By Michael Smith

A DISPUTE about police rent allowances has been referred to arbitration because police and local authority negotiators have failed to agree a deal...

saved among existing officers. Rent allowances and London allowances are two of three significant outstanding issues to be resolved on police terms after an agreement to raise pay for all existing officers by 6.5 per cent...

medical fees incurred by officers when they are not related to illness or injury sustained at work. The rent dispute has arisen because of the employers' proposals to stop paying the rates element of the payments because rates are to be replaced by the poll tax...

Council reviews recognition of EETPU

By John Gapper, Labour Staff

LEADERS of Manchester City Council are to seek advice from their TUC-affiliated unions, not week about measures against the EETPU electricians' union, including possible withdrawal of recognition...

'attached particular importance' to agreements with TUC-affiliated unions. It expressing interest in the EPIU electricians' union, a breakaway from the EETPU. Mr Graham Stringer, council leader, said the council's attitude towards the EETPU would be strongly influenced by the attitudes of leaders of the 31 other unions recognised by the council...

that it might be willing to recognise the EPIU - a union formed by dissident members of the EETPU - in place of the EETPU. There are doubts about whether the council's other unions would back such recognition. Mr Stringer said several other unions in the city had already established 'holding branches' which disowned members of the EETPU could join as a preliminary step in the process of transferring their membership...

FINANCIAL TIMES

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Saturday October 8 1988

When deficits matter

LONG BEFORE becoming Britain's longest serving post-war Chancellor of the Exchequer, Mr Nigel Lawson was a thinking man's journalist. As a journalist, he knows that today's great thoughts are tomorrow's wrapping for fish and chips. Like most intellectuals he is inclined to camouflage tactical convenience behind expressions of high principle. So it is tempting to ridicule the Chancellor's defence of current account deficits, in general, and the UK current account deficit, in particular, as invention born of necessity. The reaction is unfair. Mr Lawson's remarks deserve serious attention.

The Chancellor makes four points. First, so-called balance of payments "imbalances" are both inevitable and desirable. Secondly, it makes a fundamental difference whether the source of a current account deficit is public or private borrowing. Thirdly, the role of the public sector is to look after its own finances and ensure that the environment within which the private sector makes its decisions is an appropriate one. Finally, the public sector surplus or deficit should be adjusted to take account of the behaviour of the private sector only if the accumulation of external debt looks likely to determine creditworthiness in the long term.

On the first of these points his position is strong. What is surprising about the 1980s is not that the "imbalances" have been so large, but that they have been so small. During the last period when there were no controls on international capital flows, that before the First World War, half of the UK's national savings were exported in some years. If Japan had followed that example, its current account surplus would have been over \$250bn in the peak year of 1986, not the relatively paltry \$86bn actually seen. To liberalise international capital flows with one hand and manipulate fiscal policy to eliminate the resulting "imbalances" with the other hand looks perverse.

Simple answer

When why might it matter whether the source of the deficit is net borrowing by the public instead of the private sector? The simple answer is that the public sector can inflate its way out of its debts, while the private sector cannot. This being known, lenders will panic over public sector deficits at some point, making certain the inflation and depreciation that they fear.

It is true that only the public sector can inflate, but the private sector can go bankrupt, as

creditors of the Chilean banks can testify. The reason for that widespread bankruptcy was a mistaken exchange rate policy. Indeed, a policy mistake is always the cause of general private sector insolvency. So governments are invisible parties in all supposedly private borrowing and lending. The difference between public and private borrowing is one of degree, not of kind. Even the Government of the UK may choose inflation if it sees mortgage rates at over 15 per cent and a house price collapse as the alternative.

Political risks

Any lending across frontiers involves special political risks. The risks can be diminished by a credibly fixed exchange rate and no possibility of exchange controls. None the less, a sovereign government can never make an entirely credible pre-commitment to such constraints. Even the UK went off gold in 1931. So international lending is subject to panic.

That the UK public sector is in surplus, while that of the US is in deficit, is not as fundamental a difference as the Chancellor suggests. What matters, as the Chancellor rightly stresses, is the policy environment, for which the Government is always responsible. But key aspects of policy lack clarity, largely because of public disputes between the Chancellor and the Prime Minister.

So should the Government try to offset the private sector's net borrowing? If it could convince everyone that uncontrolled depreciation is out of the question, then the sole reason for doing so would be concern about the implications for growth of a low rate of national savings. The more uncertainty about exchange rate policy, however, the more concerned the Government must be about a lenders' panic. The most important difference between the US and the UK may even be unfavourable to the UK. It is that the central banks of the rest of the world were prepared to finance the US deficit rather than allow the dollar to collapse in such a panic.

The Chancellor's rationalisation of deficits is intriguing, but the UK deficit remains risky. What he needs is either an increase in the credibility of his exchange rate policy or a fiscal policy that offsets the low savings of the private sector. This is the choice he should present to the Prime Minister: full membership of the European Monetary System or a truly hair-shirt budget in 1989.

John Lloyd reflects on 20 years of "The Troubles" in Northern Ireland Epitaph for a doomed campaign

In the 20 years since groups of people unfurled banners in Northern Ireland in the name of civil rights, these finest of words have suffered the cruellest of destinies. They have been suborned and twisted. They have been used to mask terror and pervert idealism. They have been loaded into the magazine of an Armalite or stuck, at the end of a sensitive little trigger, under the hood of a car.

Brian Garrett, a Belfast lawyer and, in the 1960s, chairman of the Northern Ireland Labour Party (NILP), which pursued a progressive non-sectarianism to its own extinction, told a Queens University seminar on civil rights last week: "Most people who believed in reform no longer believe it. That was the greatest casualty of two decades."

What the civil rights marchers and protesters said they wanted, they got. Mr Garrett says they got civil rights, formally, within a year. John Hume, leader of the Social Democratic and Labour Party, says that so much has been won from the British that in some fields - notably public housing - the province outstrips the mainland. Even the bias against Catholics in the jobs market, he says, can no longer be laid largely at the door of Protestant bigotry: "In honesty a great deal of progress on this front has been prevented by the (IRA) campaign of violence."

What was held by the supporters of civil rights to be the insupportable apparatus of repression of the "Orange State" has been swept away. The Orange Order, the largest of Unionist rule, is long gone. The Unionists themselves are shattered and rudderless in the wake of the three-year-old Anglo-Irish Agreement. Yet the violence continues, now quite clearly in support of national rather than civil rights. The "68 Committee" formed to celebrate the 20th anniversary, formalises that recognition in its slogan: "No civil rights without national rights." Militant Nationalism is now too cocky to depend on subterfuge. Terror is reaching a higher and more murderous level this year than for a decade. The availability to the IRA of the new highly portable and powerful Semtex explosive augurs a hideous future.

Rev Ian Paisley, the "Big Man", at 62 still at the centre of Protestant working class politics, says: "I have never seen such alienation between the two communities as now: never in all my time." Could it have been different, after all? Was Nationalism - of which one manifestation has been the terrorism of the IRA - inscribed into it from its very beginning, as many Unionists then believed and now believe even more?

For militant Republicans, the answer was and remains clear. "The last 20 years have shown that the (Northern Irish) state doesn't work," says Bernadette McAuliffe (formerly Devlin), the Paslonara of the civil rights movement and a militant still. Says Fergus O'Hare of the '68 Committee: "To put the blame on those who went out to peacefully protest for basic justice is to oppose what these people were demanding." The beatings and arrests which the protestors were a lesson which taught the unreformability of the state. "The only way to get reforms was to end partition."

The constitutional Nationalists share some of this historicism. John Hume also points to the "hard lessons" learned by civil rights demon-



strators in the late 1960s and particularly to the murder, burning and terror which loyalists visited on Catholic Bombay Street, in Belfast, in 1969, which provided the largest spur to the creation of the provisional IRA. He does not accept that the movement began life as a captive to Nationalist interests. He, and many others, stress the dormant condition of the IRA at the time (it had given up a six-year armed campaign in 1962) and its concentration on social issues under a new, Communist-leaning leadership. "Nationalists at the time had evolved a completely different approach."

But in that different approach one can already see the blurring of national and civil rights. Austin Currie, a colleague of Hume's in the SDLP, was the young Nationalist Stormont MP who in 1967 dramatised housing discrimination by squatting in a council house in Caledon. (It had been assigned to a senior Unionist's secretary, a single woman, while families swelled the waiting lists.) He talks of a plethora of Nationalist clubs, institutions and societies in the 1960s: the New Ireland Society, Turism, the New Democratic Party, all dedicated to rethinking Nationalist aims. The Nationalist Party itself, abstentionist for years, took its seats on the opposition benches in Stormont. "There was a great breadth of thinking about the liberalisation of the state."

Much of this was fuelled by young Catholics from lower middle- or working-class backgrounds, whom the post-war educational reforms had helped to get to university for the first time, like their equivalents on the mainland. Like them, many became radicalised: unlike them, they had some cause to be so.

Northern Ireland was a one-party state. Catholics voted Nationalist and Protestants Unionist. The efforts to create non-sectarian parties - like the Northern Ireland Labour Party and the Liberals - could not conceal the fact that the Catholic political leadership saw partition as a historical pause, not a full stop and that

Protestants deeply feared the same Catholic absorption which was dividing their co-religionists in the South. Given this unbridgeable division, and since the British government took no interest in ensuring equality, the permanent minority did not take, and were not given, full citizenship.

At local government level, the dominant Unionists "gerrymandered". Broadly, only house owners and tenants voted - a measure which discriminated against the bigger Catholic families. Unionist local authorities in Catholic areas kept control by stuffing their Catholic tenants into one ward, then spreading thin Protestant majorities through other wards. They were discriminatory in allocating housing and planning permission. John Hume, returning from the

Militant Nationalism is now too cocky to depend on subterfuge. Terror is reaching a higher and more murderous level

Republic's Mayo College in the 1960s, set up the Londonderry Housing Association and found himself stymied in helping people get houses for lack of land. Says Austin Currie: "People like me went to Queens and found ourselves as good as dead in every way as the Protestants: we came back to find the same sectarian class citizenship we left."

The extent of discrimination before 1968 is now questioned. (Mr Currie himself says things were getting better, noting that "that's when revolutions happen.") In an important and controversial essay in 1981, Christopher Hewitt, an American academic, used contemporary statistics to show that "gerrymandering" resulted in Protestant control of a Catholic majority only in Londonderry (the council was abolished in 1968 and replaced by a Commission). He showed that more Catholics than Protestants got public authority

Paisley, "that the CRA was just the IRA with the 'T' twisted." Clifford Smyth, a councillor in Paisley's Democratic Unionist Party in the 1970s and now his former leader's war-and-all-biographer, says that it was clear to him, an active student Unionist (at Queens), that the mid 1970s, before the civil rights agitation, was a time of growing Catholic Nationalist self-confidence and political favour. He believes that the liberal reforms undertaken by Sir Terence O'Neill, the Unionist Prime Minister of the time, were ineptly handled and could not address the Nationalist thrust of the movement. "I see the problem as Unionism being unable to adapt because of the pressures they were under from Nationalism about them. Having established a status quo they did not know how to innovate: their door was locked, but the bolt was on the outside."

Today, some of those who led the march in Londonderry which first sent the images of repression round the world will stage another march in that city. Eamonn McCann, Michael Farrell and Bernadette McAuliffe will be there, though the constitutional Nationalists like Hume, elevated by his own political talent and the Anglo-Irish Agreement to the first rank in the province, will join it.

It will partly be done, as were the early marches, for television. Hume recalls how amazed he was that the violence of the BUC be exposed on the screens. Intuitively, the Nationalists had grasped the truth about television news and current affairs. It needed heroes and villains, and since many TV reporters and researchers were themselves infused with the spirit of 1968, the RUC, the puritanical Unionists, the creaking archbishops of Ulster, all struck them as textbook-representatives.

Smyth recalls going with fellow Unionists to take part in a David Frost special on Ulster at the end of 1968. Asked to go to make up, they indignantly refused, thinking it unmanly - only to see the TV-wise Republicans submit to powder and cream and appear on the air as Mirandas to their Catholics.

It is a vivid summary of the dilemma. The Nationalist culture, drawing heavily on a deeply felt Catholicism, was able to produce a morality play of martyrdom and suffering which the clumsy Unionists, whose Protestantism had no such public iconography, could not match.

Twenty years ago this week, simpletons, idealists, shrewd politicians and barometers to be had as a drama - or a new act in a drama - which runs still. Now ill-attended and misconstrued, it has lost its fine flush and is merely pathetic: "if it is now clearer what it is all about, there is little or no space where once there was a fine broad field of hope. After that first death of the words 'civil rights' there have been many, many others."

It is not a matter of bad faith. Ulster Catholics were sincere in their wish for rights which should have been theirs for decades. But the fact that Nationalist figures demanded them within a framework which was implicitly threatening to the preservation of the union, in a state where the fault line of nationality ran through every political act, was to render the movement doomed.

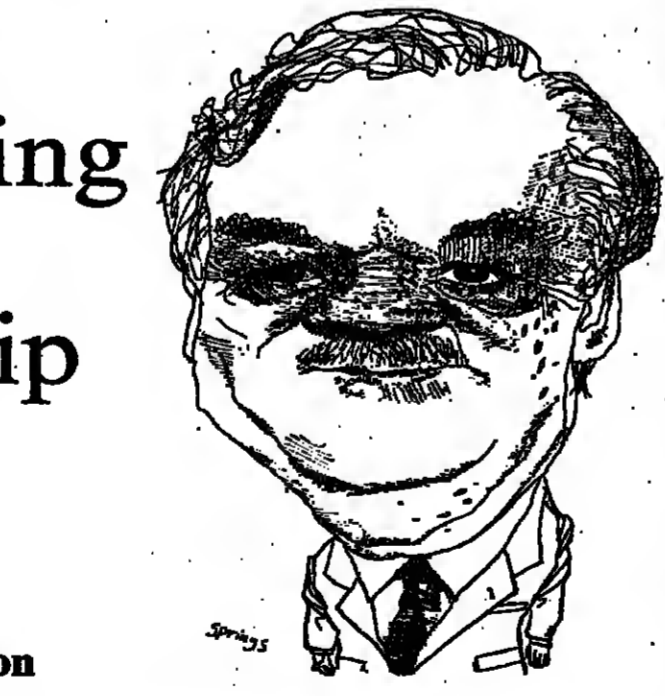
1. Catholic grievances... British Journal of Sociology, Sept 1981.
 2. Ian Paisley: Voice of Protestant Ulster. Clifford Smyth, Scottish Academic Press.

MAN IN THE NEWS

Allen Sheppard

Managing by a light grip on the throat

By Martin Dickson



When Allen Sheppard was a young man doing his national service in the dark surroundings of 1960s Nottingham, he organised his platoon into a curious form of money-making cooperative: the rougher members of his squad took on his shifts of duty, freeing him to be a money generator by writing and lecturing on business at the local technical college. He managed to write a book, 500 articles "on anything I'd get paid for," and his lectures included somewhat bumptious analyses of the Budget just hours after it had been unveiled. "Looking back," he says, "that frightens the life out of me."

The anecdote captures the blend of restless energy, ambition, supreme self-confidence and management skill that has propelled him to the chairmanship of GrandMet, the US group best known for Green Giant brand packaged foods and Burger King hamburgers. If the takeover succeeds, it will radically change both the size and shape of GrandMet.

The aim is for the group's food and retailing side, which are relatively small on a world scale, to do in the 1990s what its drinks business has done in the 1980s - become one of the international leaders in a market becoming increasingly global.

The City is reserving judgment on the deal. Pillsbury, and in particular Burger King, is a troubled, demoralised company. Sir GrandMet's management strength and the retailing flair in the fast food business to turn it around? Will the bid prove inspired, or over-ambitious megalomania?

Whatever happens, there is no doubt that the City has grown much more enthusiastic about GrandMet in the two years since Mr Sheppard, now 58 years old, became chief executive.

Before it was seen as a potential bid stock, now it is viewed as one of the most aggressive of British predators. The comparison is not entirely fair to Sir Stanley Grinstead, whom Mr Sheppard replaced as chairman in July last year. He had the difficult job of steering GrandMet through the first half of the 1980s after the death of founder Sir Max Joseph, one of the great post-war entrepreneurs. Mr Sheppard has continued many of Sir Stanley Grinstead's policies, though others have been ditched.

Since Mr Sheppard's arrival the group's focus has certainly seemed much clearer and the style at head office has changed markedly. Sir Stanley Grinstead was a quiet, rather shy man, who kept strategy very much to himself. Mr Sheppard is a great extrovert, and has the priceless skill of infecting colleagues with his enthusiasm. "He is," says one, "very exciting to work for."

He likes to tote strategy ideas around a small band of trusted executives, several of whom worked with him at British Leyland in the early 1970s. Witty and unassuming, he is given to pacing restlessly round the room as he speaks. He has a London accent and soft, insistent voice which can make him sound uncannily like Ken Livingstone, the Labour politician.

But behind the charm lies a very tough man. He likes to describe GrandMet's management style as "the light grip on the throat" - a combination of decentralisation and very short lines of communication with a demanding centre. "We do not like surprises. We do not like sophisticated reasons for failure." His tone combines sweet reason with a vague air of menace.

Former motor industry colleagues recall some famous Sheppard losses of temper and elbowing of others on his way up. "The style now seems to have softened, and he says people make mistakes for abrasion which is simply his style of talking though difficult issues: 'The people I respect I expect to stand up to me and argue.'"

A self-confessed workaholic, he was born in Forest Gate, East London, at that social meeting point between the working class and lower middle class that produces so many of the rocket-propelled

upwardly mobile. His father was a railway driver - by a nice twist of fate Allen Sheppard is now a member of the British Rail board - and his mother a bank clerk, having been too poor to take up a place at teacher's training college. Sheppard pins much of his ambition on her frustration and his father's doggedness.

He won a scholarship to the London School of Economics, then gained accountancy and company secretary qualifications before completing his industrial studies by joining a local East London employer, Ford, as a junior financial analyst. "It was a fantastic period of training," he says. "You were constantly changing jobs. I did 10 in three years."

He spent 18 years in the motor industry, moving on to Rootes and then British Leyland. From there, he was headhunted in 1976 by Maxwell Joseph to become chief executive of Watney Mann & Truman, where morale was still low, three years after GrandMet's bitterly won takeover of Watney.

He eventually took over responsibility for GrandMet's operations in the UK generally, and in 1986 won the job of chief executive in a two-horse race against Anthony Tennant, a reserved man who moved on to become chief executive of Guinness. Married but with no children, Mr Sheppard lives in Essex at a house by walking his five dogs. He had early ambitions to be a politician, but abandoned them and the Labour Party as he moved to the right, becoming a passionate supporter of the Thatcher revolution. He is a down-to-earth and powerful advocate for industry, a fluent speaker and performs well on the public stage, where some people think he will be increasingly active. But for the moment he can ill-afford to think beyond the economics of the hamburger.

SOCIETE INTERNATIONALE PIRELLI S.A. - BASLE

Pirelli Financial Services Company N.V.
 7% US \$50 Million guaranteed convertible bonds
 1985 - 1995

In accordance with condition 13 (f) (i) of the first schedule of the Trust Deed for the above mentioned convertible bonds, notice is hereby given to the Bondholders that the General Meeting of the Shareholders of Societe Internationale Pirelli S.A. will be held in Basle on Wednesday November 9, 1988.

Requests for conversion into ordinary shares filed on or before October 20, 1988 shall be submitted to the above mentioned General Meeting for the creation of the shares needed to satisfy the conversion requests.

SOCIETE INTERNATIONALE PIRELLI S.A. - BASLE

Pirelli U.K. International Finance B.V.
 7½% £40 Million guaranteed convertible bonds
 1985 - 2000

In accordance with condition 11 (B) (f) (i) of the first schedule of the Trust Deed for the above mentioned convertible bonds, notice is hereby given to the Bondholders that the General Meeting of the Shareholders of Societe Internationale Pirelli S.A. will be held in Basle on Wednesday November 9, 1988.

Requests for conversion into ordinary shares filed on or before October 20, 1988 shall be submitted to the above mentioned General Meeting for the creation of the shares needed to satisfy the conversion requests.

UK COMPANY NEWS

Royal plans major US move with £64.86m acquisition of Michigan life company

By Nick Bunker

ROYAL INSURANCE, the biggest of the UK's composite insurers, plans to buy Michigan-based Macabees Mutual Life for \$110m (£64.86m) to give itself a secure foothold in the huge US life insurance industry.

\$50m, compared with its US property/casualty premiums of \$1.35bn. "It's been our strategy throughout the 1980s to expand our life and financial services activities," said Mr Geoffrey Kellett, Royal's group general manager with special responsibility for life operations.



before opted to shed its mutual status specifically because it wanted to sell itself to a shareholder-owned group. Royal said it has agreed to pay \$110m for 100 per cent Macabees' shares after the conversion, and to increase Macabees' initial base to \$80m. Restated according to US

Generally Accepted Accounting Principles, Macabees' net assets are close to \$66m. With 1987 premiums of about \$200m, and total admitted assets of \$900m, it ranks about 200th in size among the 2,000 US life companies.

Universal Life, first introduced in the US in 1979 by Hutton Life, a subsidiary of E.F. Hutton, the stockbroker, is an interest-sensitive product which gives its investment returns to policyholders in the money markets.

US lawyers deride Pillsbury's defence to GrandMet's bid

By Roderick Oram in New York

PILLSBURY's attempt to use US liquor laws to block Grand Metropolitan's \$6.23bn (£3.1bn) bid is a fundamentally weak defence, according to independent US lawyers experienced in the regulatory thicket of state liquor commissions.

Pillsbury however, has litigated its fight to that of Farmers Group against BAT Industries. The California insurer had blocked for several months the bid from the UK group by persuading insurance commissioners in several states not to approve transfer of its licence to BAT.

Elders' chief stays mum over UK beer stakes

By Andrew Hill

THE HEAD of an Australian brewing and sheepfarming business cannot afford to do things by halves. Mr John Elliott, chairman and chief executive of Elders Ltd, only celebrated a 72 per cent rise in the group's pre-tax profits with lunch for 350 friends and followers of the company at London's Guildhall yesterday, part of a whirlwind tour of leading international financial centres.

Clients' spending cuts leave Charles Barker 4% lower

By Andrew Hill

SPENDING CUTS by major advertising clients hit interim profits at Charles Barker, the advertising, public relations and recruitment group. Pre-tax profits for the six months to June 30, emerged 4% lower at £2.5m.

Ayer Barker is 25 per cent-owned by N W Ayer, the US advertising group, which will increase its holding to 56 per cent in 1990. Ayer also holds 12.6 per cent of Charles Barker itself.

Charles Barker's interim results were neither better nor worse than most had expected and the shares were unchanged at 143p yesterday. The second half should be stronger than the equivalent period, for the simple reason that last year's second half figures included losses on discontinued businesses and exceptional reorganisation and redundancy costs, but the group is only just going to make £4m before tax for 1988.

MIXED FORTUNES FOR REGIONAL TV STV bucks the trend as profits fall to £2.5m

By Raymond Snoddy

SCOTTISH TELEVISION yesterday announced a drop in pre-tax profits, a result against the trend in the generally buoyant commercial television sector.

Mr Alan Montgomery, finance director, said yesterday: "As well as losing advertising share as money flowed into the south we have incurred new costs." In addition, profits for the full year were expected to be flat, with a better performance likely in 1989.



John Elliott: possible purchases identified

"We see opportunities in Europe and in North America," he said. "We want to expand in Australia because we already have 50 per cent of the brewing market. Our strategic and fund-raising operations are now based in London and we see Europe as one of the most exciting places to be."

Meyer boosts its bid for Travis

By Clay Harris

MEYER INTERNATIONAL, timber and builders' merchant, yesterday gave its £213m takeover bid for Travis & Arnold, another builders' merchant, a boost by allowing shareholders to take half of the offer price in the form of convertible preference shares.

Shares. No shares would be bought, however, during the offer period. Until yesterday's revision, Travis had scored Meyer's 600p cash bid - now worth 38 per cent more than Sandell's all-share offer - because of the capital gains tax liabilities which could be faced.

adviser, dismissed the new terms at a lower price. For a 30p cut in price, accepting shareholders would have a slightly smaller CGT liability, Rothschild said.

Ulster rises to £2.2m

ULSTER Television increased pre-tax profits in the year to July from £1.91m to £2.19m on turnover which increased from £20.012m to £22.214m, writes Raymond Snoddy.

had television operating profit of £1.827m, investment income of £324,000 and profit from disposal of investments of £34,000. Earnings per basic share rose from 12.11p to 13.61p.

Arcoelectric lower

Pre-tax profits reduced from £357,418 to £320,098 were announced by Arcoelectric (Holdings), maker of switches and neon signal lamps, for the six months to June 30.

Table with 4 columns: Company, Dividend, Date, and Amount. Includes Arcoelectric, Baxter, Int Trust Jersey, Jacob (W&N), Scottish TV, Swift Coswell, Travis, and Ulster TV.

JFB buy-out revised

By Nick Garnett

FINANCIAL arrangements for the buy-out of Sheffield Forgemasters, jointly owned by Johnson and Firth Brown and British Steel, have had to be revised following the start of legal action against Forgemasters by a US customer.

However, as a result of the write one of the conditions in the original proposals for the buy-out cannot be satisfied. JFB and British Steel yesterday entered into a revised conditional agreement for disposal of their shares.

Pernod action with FII-Fyffes lengthens

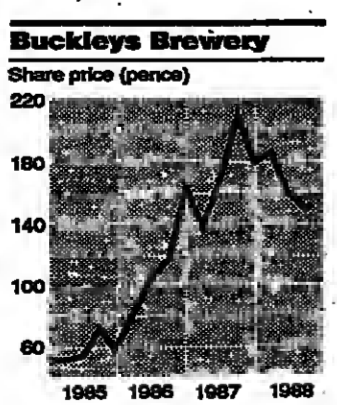
By Kieron Cooke in Dublin

Pernod Ricard's court action against FII-Fyffes is unlikely to end before the end of next week with judgement the following week.

Buckley's chief avoids conflict

By Anthony Moreton, Welsh Correspondent

THE EXPECTED fireworks at yesterday's annual meeting of Buckley's Brewery, previously controlled by Mr Peter Clowes, head of the failed Barlow Clowes empire and his colleague Mr Guy Cramer, failed to materialise.



charges, and Mr Cramer. Mr Willocks forecast that the interim figures would be produced in about three weeks. These will come shortly before Singer & Friedlander, the merchant bank, closes its tender offer for the 53 per cent of the shares it took as security for a loan to the two Barlow Clowes

executives. Mr Willocks, who stepped up as chairman after Sir Alun Talfan Davies's appointment was found to be invalid, recruited three working members of the company to the board and the only excitement yesterday was whether they would be voted off.

SA inquiry into Minorco's bid

By Kenneth Gooding, Mining Correspondent

MINORCO'S \$2.5m hostile bid for Consolidated Gold Fields yesterday sparked off a monopolies inquiry in South Africa.

"whether an acquisition by Anglo American Corporation and De Beers of Gold Fields of South Africa has been, is being or is proposed to be made and the nature and extent of the controlling interest (if any) held and acquired or proposed to be acquired."

Minorco might be a forced seller of the GFSA shares, "which cannot be good for shareholders". Minorco said it would do its utmost to maximise the proceeds from the sale of the GFSA stake.

No DTI inquiry into Falcon Resources

By Roderick Oram in New York

THE GOVERNMENT has ruled out a Department of Trade and Industry inquiry into Falcon Resources, the troubled oil exploration company which has had its shares suspended since October 1986.

Mr Irving, a small investor in Falcon, had demanded a full DTI inquiry into the company's management. "The Department of Trade and Industry has already given considerable attention to the company's affairs," Mr Irving said. "The Department has also considered the details which directors might advance to a charge of failing to deliver accounts and taking into account all the circumstances of the case, it was decided not to prosecute in this instance."

Shepherd Neame higher at £3m

Shepherd Neame, Kent-based brewer, saw pre-tax profits move up from £2.83m to £3.04m in the year to the end of June. Turnover at this unquoted

close company was ahead from £18.5m to £21.27m. Earnings per £1 share were up from 30p to 32.03p. There was an exceptional provision of £191,000.

Table titled 'TRADITIONAL OPTIONS' listing various financial instruments and their details.

Table titled 'LONDON RECENT ISSUES' listing recent stock issues with columns for issue price, amount, and dates.

Table titled 'FIXED INTEREST STOCKS' listing fixed interest securities with columns for issue price, amount, and dates.

Table titled 'RIGHTS OFFERS' listing rights offers with columns for issue price, amount, and dates.

A financial dividend is payable based on a proportion of the dividend rate paid or payable on part of capital. Interest on a loan is payable based on the amount of the loan outstanding at the end of the period.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Friday October 7 1988, Highs and Lows Index, 1988, and 1987. Lists various industry groups like CAPITAL GOODS, BUILDING MATERIALS, etc.

FIXED INTEREST

Table with columns: PRICE INDICES, Average Gross Redemption Yields, and Fixed Interest Rates. Includes data for British Government, Corporate, and Inflation-linked securities.

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Market capitalisation as at 30.9.88, and Market capitalisation as at 30.9.87. Lists various industry groups and their market values.

FT-ACTUARIES SHARE INDICES - QUARTERLY VALUATION

The market capitalisation of the groups and sub-sections of the FT-Actuaries indices as at September 30, 1988, are expressed below in millions of pounds and as a percentage of the All-Share Index.

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Market capitalisation as at 30.9.88, and Market capitalisation as at 30.9.87. Lists various industry groups and their market values.

FALKLAND ISLANDS

The Financial Times proposes to publish a Survey on the above on 7TH NOVEMBER 1988. For a full editorial synopsis and advertisement details, please contact: NIGEL BICKNELL

FINANCIAL TIMES

ECONOMIC DIARY

TODAY: Franco-Spanish ministerial meeting in Leon (until October 9). TOMORROW: Dr Helmut Kohl, Chancellor of West Germany, ends his four country tour with a two-day visit to Singapore. MONDAY: Producer price index numbers (September-provisional). European Parliament in plenary session in Strasbourg (until October 14).

BASE LENDING RATES

Table with columns: Bank Name, Base Lending Rate, and other financial details. Lists various banks and their rates.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Val, Last, and other market data for European options exchange.

BENCHMARK GOVERNMENT BONDS

Table with columns: Coupon, Red Date, Price, Change, Yield, and other data for benchmark government bonds.

ALUMINIUM. The Financial Times proposes to publish this survey on: 26th October 1988. For a full editorial synopsis and advertisement details, please contact: Anthony G. Hayes

FINANCIAL TIMES

Into our next century in the same spirit.



The Kirloskar Industrial journey began in 1888. Laxmanrao and his brother Ramuanna established their first industrial venture with Kirloskar Brothers. Beginning as perhaps the only Company in India to have its own standard products, Kirloskar Brothers Ltd. provided a solid base for all the following Kirloskar enterprises.

- The Group's major Companies, and their products, are as follows: Kirloskar Brothers Limited (pumps, valves, standard and computer-controlled machine tools); Kirloskar Electric Company (electric motors, transformers, alternators, welding equipment); Kirloskar Pneumatic Company Limited (air and gas compressors, air-conditioning and refrigeration plants); Kirloskar Oil Engines Limited (diesel engines, 3 h.p. to 8000 h.p.); Kirloskar Cummins Limited (high-speed diesel engines, Neoplan buses).

KRLOSAR products are exported to 90 countries around the world, including U.K.

Sponsored by the Engineering Export Promotion Council, India.



INTERNATIONAL COMPANIES AND FINANCE

Lotus shares fall sharply as 1-2-3 update is delayed

By Louise Kehoe in San Francisco
LOTUS DEVELOPMENT'S share price skidded \$2.75 to \$17 yesterday morning on news that the leading US software publisher has again delayed introduction of a long-awaited upgraded version of 1-2-3, its spreadsheet program.

Intel boosts income by 77%

By Our San Francisco Correspondent
INTEL, the leading US microprocessor manufacturer, has reported record sales and earnings for its third quarter, boosted by high demand from the personal computer industry.

Rhône-Poulenc in talks in US

By Paul Betts in Paris
RHÔNE-POULENC, the French state-controlled chemicals group, is negotiating to buy the agricultural business of Uniroyl Chemical as part of its overall efforts to expand in the US and strengthen its presence in the agricultural sector.

Profits clipped at Columbia Pictures

By Our Financial Staff
COLUMBIA Pictures Entertainment, the film production company in which Coca-Cola, the leading US soft drinks company, has a 49 per cent stake, reported net earnings of \$4.7m in the second quarter of 1988 compared with \$15.9m in the same period of last year.

Tokyo hit by second securities scandal

By Tony Jackson in Tokyo
TOKYO Hit suffered its second big securities scandal in a week with an admission by Yamaichi, one of Japan's Big Four stockbrokers, that one of its young employees had defrauded a client of ¥750m (\$5.6m).

Wärtsilä plunges into the red

By Olli Virtanen in Helsinki
WÄRTSILÄ, the Finnish shipbuilding and engineering group, yesterday reported a loss of Fmk322m (\$67m) after extraordinary items for the first eight months of this year compared with a profit of Fmk47m for the same period of 1987.

Gardini to sell Ferfin stake

By Alan Friedman in Milan
MR RAUL GARDINI, head of the Ferruzzi-Montedison group, is to move ahead in two weeks with the last phase of his large-scale share restructuring by trying to sell most of the 24 per cent of the shares in his master Ferruzzi Finanziaria (Ferfin) holding vehicle which are now cross-owned by Montedison.

Euroc profits soar after shake-up

By Sara Webb in Stockholm
EUROC, the Swedish building materials, engineering and trading group, said profits (after financial items) jumped 81 per cent to SKr443m (\$69.5m) in the first eight months, helped by group restructuring, recent acquisitions and an increased order intake resulting from a boom in the construction industry.

Gold Fields SA restructures Namibia unit

By Jim Jones in Johannesburg
GOLD FIELDS of South Africa (GFSA), the local affiliate of the UK's Consolidated Gold Fields, has restructured its Namibian mining and exploration interests, transferring them to a new company, Gold Fields Namibia (GFN), which is to be listed on the Johannesburg Stock Exchange on October 19 with an initial value of R125m (\$51.4m).

The unit's executives have discovered that Valmet disclosed inaccurate information about 11 Arctic cargo ships ordered by the Soviet Union from Valmet before the two companies merged their respective shipbuilding operations.

Harcourt to issue new equity

By Our Financial Staff
HARCOURT Brace Jovanovic, the Florida-based publisher, plans to issue about \$100m in new equity over \$400m in debt securities to repair a balance sheet weighed down with bank borrowings incurred last year in fighting off Mr Robert Maxwell of the UK.

Budget ponders possible sale

By Our Financial Staff
BUDGET RENT A CAR, the medium-sized US car rental group, has retained Morgan Stanley, the investment bank, to explore strategies to enhance shareholder values, including a possible sale of the company.

HCA rejects bid

HOSPITAL CORPORATION of America, the big US hospital management group, said the special committee of its board informed its management that a leveraged buyout proposal of about \$47 per share would be rejected by the committee as not being in the best interest of its shareholders, writes our financial staff.

WORLD COMMODITIES PRICES

Table with columns: Commodity, Latest prices, Change on week ago, High 1988, Low 1988. Includes Gold, Silver, Copper, Zinc, Tin, Wheat, Soybeans, etc.

Table with columns: Commodity, Close, Previous, High/Low, AM Official, Korb close, Open Interest. Includes Aluminum, Copper, Lead, Zinc, Tin, etc.

Table with columns: Commodity, Close, Previous, High/Low. Includes US Markets, New York, Silver, Platinum, etc.

Table with columns: Commodity, Close, Previous, High/Low. Includes Chicago, Soybeans, Wheat, Corn, etc.

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INTL COMPANIES

Nova shapes up to the challenge of development

Andrew Baxter on a new US drugs group with no products

Two years ago, the former chairman of one of the world's biggest and most successful drug groups stood up to address a brokers' lunch at a heavy hall in the City of London.

For Mr Henry Hunk, who had recently retired from Merck, it ought to have been a fairly routine task. But on this occasion, he had to admit that the company he now chaired, Baltimore-based Nova Pharmaceutical, had no products to sell, and would be several years away from getting any to the market.

For the hard-nosed institutions present, the news may have proved as unpalatable as the subject matter - brain tumour treatment, nasal sprays for the relief of the common cold and arcane theories about the creation and relief of pain.

Two years later, the sceptics in that City audience could be proved right. Nova still has no products on the market, and as ever with drug research, it is possible even now that nothing will emerge commercially from what appear to be some promising, even exciting, lines of inquiry.

But behind the scenes, Nova has been transformed. Dr Salvatore Emma, senior vice-president and scientific director, by 1986, the company had "taken on a lot of projects, and become rather diffuse" and now has narrowed the number of projects it is working on.

Just as importantly, Nova has raised close to \$100m in the past year from a limited partnership set up last year and from a wide-ranging co-operation agreement, announced in May, with SmithKline Beckman, the big US drug group.

The result is that a lot more investors' money is riding on Nova's success than in 1986. The six-year-old company, which has a market capitalisation of \$150m, even with its share price at a limited peak, is a production company and not just a collection of scientists with some ideas.

"Our researches are very much on the research side," says Dr Emma, a former professor of pharmacology at the University of Texas. "We are now hiring people more for the development side. In the next two to three years, we will have to bring in marketing people. The last thing is manufacturing, probably in five to 10 years."

The attention that Nova has received partly reflects its public company status, not unusual in the US for a company at its early stage of development, but also stems from the nature of its work. This is brain tumour research, which is a little or no hope of a cure and others where its researches could remove some of life's pains and irritations.

Nova has recently completed Phase I trials to assess the tolerability and safety of its time-release implant which delivers a chemotherapeutic agent, PCNU, directly to malignant brain tumours. Assuming the results of the trials are successful, Dr Emma says Nova would move on to a definitive study of the implant's effectiveness, taking 18 to 24 months, before filing a New Drug Application submission to the Federal Drug Administration (FDA) in 1990-91.

However, with an estimated 15,000 new cases of primary brain tumour each year in the US alone, for whom current treatment is ineffective, Dr Emma and Wall Street are confident that, as analyst Mr David Barshat at Dean Witter Reynolds puts it, "any reasonable advance in therapy should have a fairly rapid impact on the results of the trials at the FDA."

It is for this reason that Dr Emma believes the implant could be the first Nova product on the market. "If we can show that we can extend the patient's life significantly and improve the quality of life," he says.

For a while, Nova might be able to market its brain tumour implant quite easily to the relatively small number of neurosurgeons who might use it. An anti-cold nasal spray, perhaps sold over-the-counter worldwide, would require the marketing strengths and know-how of a company such as SmithKline.

If all goes well, Nova could be one of the world's biggest drug companies in 10 years. Alternatively, if its products fail to make it through the trials, it could go nowhere. As Dean Witter's Mr Barshat puts it, "the course of new drug development is notoriously bumpy."

FOREIGN EXCHANGES

Dollar hit by employment data

The dollar fell back from a firm start in Europe yesterday, after the September US employment figures tended to confirm the view that the US Federal Reserve will not be forced into tightening its monetary policy.

The US unemployment rate in September fell to 5.4 p.c. from 5.6 p.c., but the trend in employment was not as strong as expected. Non-farm payrolls rose by 255,000, compared with market forecasts of 280,000 to 300,000, while the rise in August non-farm employment was revised down to 189,000 from 219,000.

The dollar opened firmer on speculation that strong employment data would encourage the Federal Reserve to raise interest rates, but traders were then forced to unwind long positions as the mood on the foreign exchanges turned bearish for the US currency.

Other factors, such as the approach of the US presidential election next month and the weakness of the oil market also point towards an early change.

Intervention by the West German Bundesbank to sell the dollar was confined to the Frankfurt fixing yesterday, when the central bank sold \$148m.

The dollar was fixed at DM1.8675, compared with DM1.8623 on Thursday, when the Bundesbank did not intervene.

At the close in London yesterday the dollar had fallen to DM1.8615 from DM1.8636; to Y138.25 from Y133.45; to SF1.6795 from SF1.6500; and to FF6.3400 from FF6.3500.

On Bank of England figures, the dollar's exchange rate index fell to 98.7 from 98.9. Sterling had a firm tone for most of the day, supported by London's high interest rate advantage over Frankfurt, and other major financial centres.

It moved up steadily against the D-Mark, and surged through \$1.70 against the dollar, on news that the US employment figures were not as strong as expected.

The pound finished below the day's high, but still gained 1/4 cent to \$1.6985. Sterling also advanced to Y236.25 from Y236.00; to SF2.6825 from SF2.6800; and to FF71.0675 from FF71.0725.

Sterling's index rose to 75.9 from 75.1 in the afternoon, shortly after publication of the US employment data.

IN NEW YORK

US Treasury bills fell 1/8 cent to 100-15 1/2, while Treasury notes fell 1/8 cent to 100-15 1/2.

US Treasury bonds fell 1/8 cent to 100-15 1/2, while Treasury notes fell 1/8 cent to 100-15 1/2.

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CURRENCIES, MONEY AND CAPITAL MARKETS

Table with columns for Currencies, Money, and Capital Markets. Includes sub-sections for LONDON (LIFFE), CHICAGO, and JAPAN (FUTURES).

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MONEY MARKETS

A softer tone in London

INTEREST RATES declined on the London money market, as sterling held steady to firm on the foreign exchanges, and the latest US employment data appeared to reduce the likelihood of higher US rates.

Three-month sterling inter-bank fell to 11 1/2-11 3/4 p.c. from 12 1/2-11 p.c., but the London market remained cautious, and aware of reluctance by the authorities to allow a cut in bank base rates.

The Bank of England initially forecast a London money market shortage of \$100m, but revised this to \$150m at noon, and to \$200m in the afternoon.

The authorities did not operate in the market before lunch, but in the afternoon bought \$182m bills, by way of \$115m bank bills in band 1 at 11 1/2 p.c., and \$47m bank bills in band 2 at 11 3/4 p.c.

Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills drained \$537m, with a rise in the note circulation absorbing \$235m. These factors outweighed Exchequer transactions adding \$750m to liquidity.

Three-month sterling inter-bank fell to 11 1/2-11 3/4 p.c. from 12 1/2-11 p.c., but the London market remained cautious, and aware of reluctance by the authorities to allow a cut in bank base rates.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates for various currencies and terms.

MONEY RATES

Table showing Money Rates for New York, including Treasury Bills and Bonds.

Table showing Money Rates for London, including Treasury Bills and Bonds.

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Austria in utility sell-off

By Our Financial Staff

THE Austrian Government will sell 20 per cent of Vorraber Kraftwerke (VKW), a regional utility, to the public for Sch80m (\$40m).

Hypo-Alpenbank, Vorraber and Osterreichische Landesbank, the two lead managers, priced the offering at Sch3,050 for each of the 170,400 shares.

The subscription period runs from October 17 to 21, and official listing will start on November 7.

The share price was in line with market expectations, and the offering is likely to be heavily placed among regional retail investors in Vorraber, Austria's smallest and most western state, and some Swiss institutions, analysts say.

VKW's offering is seen as a test for the larger share placement of 49 per cent of Osterreichische Verbundgesellschaft, the country's main utility, in November.

This flotation, likely to be the country's largest, could raise as much as Sch5bn. Terms will be set on November 17, with observers expecting a price of about Sch80 for each of the 15m shares.

Meanwhile, Osterreichische Landesbank, Austria's third largest bank, is making a normal Sch50m rights issue, the sixth in five years, said Mr Konrad Rumpold, management board member. He said subscription for the issue, priced at Sch200 per nominal Sch100 share, would be open until October 21.

FT GUIDE TO WORLD CURRENCIES Every Tuesday in the FT

WORLD STOCK MARKETS

NEW YORK (3 pm)

Table of New York stock market activity for October 7, 1988. Columns include stock names, prices, and changes. Includes sub-sections for NYSE Composite, NYSE Industrial, NYSE Financial, NYSE Utility, NYSE Energy, NYSE Chemical, NYSE Technology, NYSE Retail, NYSE Health Care, NYSE Consumer Goods, NYSE Pharmaceuticals, NYSE Insurance, NYSE Real Estate, NYSE Other.

AMSTERDAM

Table of Amsterdam stock market activity for October 7, 1988. Columns include stock names, prices, and changes. Includes sub-sections for AEX Composite, AEX Industrial, AEX Financial, AEX Utility, AEX Energy, AEX Chemical, AEX Technology, AEX Retail, AEX Health Care, AEX Consumer Goods, AEX Pharmaceuticals, AEX Insurance, AEX Real Estate, AEX Other.

BRUSSELS

Table of Brussels stock market activity for October 7, 1988. Columns include stock names, prices, and changes. Includes sub-sections for C20 Composite, C20 Industrial, C20 Financial, C20 Utility, C20 Energy, C20 Chemical, C20 Technology, C20 Retail, C20 Health Care, C20 Consumer Goods, C20 Pharmaceuticals, C20 Insurance, C20 Real Estate, C20 Other.

FRANKFURT

Table of Frankfurt stock market activity for October 7, 1988. Columns include stock names, prices, and changes. Includes sub-sections for DAX Composite, DAX Industrial, DAX Financial, DAX Utility, DAX Energy, DAX Chemical, DAX Technology, DAX Retail, DAX Health Care, DAX Consumer Goods, DAX Pharmaceuticals, DAX Insurance, DAX Real Estate, DAX Other.

PARIS

Table of Paris stock market activity for October 7, 1988. Columns include stock names, prices, and changes. Includes sub-sections for CAC Composite, CAC Industrial, CAC Financial, CAC Utility, CAC Energy, CAC Chemical, CAC Technology, CAC Retail, CAC Health Care, CAC Consumer Goods, CAC Pharmaceuticals, CAC Insurance, CAC Real Estate, CAC Other.

BERLIN

Table of Berlin stock market activity for October 7, 1988. Columns include stock names, prices, and changes. Includes sub-sections for DAX Composite, DAX Industrial, DAX Financial, DAX Utility, DAX Energy, DAX Chemical, DAX Technology, DAX Retail, DAX Health Care, DAX Consumer Goods, DAX Pharmaceuticals, DAX Insurance, DAX Real Estate, DAX Other.

MILAN

Table of Milan stock market activity for October 7, 1988. Columns include stock names, prices, and changes. Includes sub-sections for ISE Composite, ISE Industrial, ISE Financial, ISE Utility, ISE Energy, ISE Chemical, ISE Technology, ISE Retail, ISE Health Care, ISE Consumer Goods, ISE Pharmaceuticals, ISE Insurance, ISE Real Estate, ISE Other.

ROMA

Table of Rome stock market activity for October 7, 1988. Columns include stock names, prices, and changes. Includes sub-sections for ISE Composite, ISE Industrial, ISE Financial, ISE Utility, ISE Energy, ISE Chemical, ISE Technology, ISE Retail, ISE Health Care, ISE Consumer Goods, ISE Pharmaceuticals, ISE Insurance, ISE Real Estate, ISE Other.

STOCKHOLM

Table of Stockholm stock market activity for October 7, 1988. Columns include stock names, prices, and changes. Includes sub-sections for OMX Composite, OMX Industrial, OMX Financial, OMX Utility, OMX Energy, OMX Chemical, OMX Technology, OMX Retail, OMX Health Care, OMX Consumer Goods, OMX Pharmaceuticals, OMX Insurance, OMX Real Estate, OMX Other.

Table of other international stock market activity for October 7, 1988. Columns include country/stock name, price, and change. Includes sections for London, Tokyo, Sydney, and various regional indices.

INDICES

Table of major stock indices for October 7, 1988. Columns include index name, current value, and change. Includes NYSE Composite, NYSE Industrial, NYSE Financial, NYSE Utility, NYSE Energy, NYSE Chemical, NYSE Technology, NYSE Retail, NYSE Health Care, NYSE Consumer Goods, NYSE Pharmaceuticals, NYSE Insurance, NYSE Real Estate, NYSE Other.

Table of international stock indices for October 7, 1988. Columns include index name, current value, and change. Includes Amsterdam AEX, Brussels C20, Frankfurt DAX, Paris CAC, Berlin DAX, Milan ISE, Rome ISE, Stockholm OMX, and various regional indices.

Table of international stock indices for October 7, 1988. Columns include index name, current value, and change. Includes London FTSE, Tokyo Nikkei, Sydney All Ordinaries, and various regional indices.

Table of international stock indices for October 7, 1988. Columns include index name, current value, and change. Includes various regional indices and commodity prices.

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WORLD STOCK MARKETS

AMERICA

Dow surges on employment figures

Wall Street
EMPLOYMENT figures which revealed slower-than-expected US economic growth during September...

ment that non-farm payroll employment had increased by only 255,000 in September...

The company's shares fell 1% to 24% and other semiconductor makers weakened in sympathy...

two sessions, amid optimism about its Rogaine anti-baldness treatment. Texas Air rose 4% to \$16 on hopes that it would sell Eastern Airlines in whole or in part...

EUROPE

Switzerland captures the limelight

A WEEK of strong gains on European houses amid speculative buying ended with further rises for all but Paris and Milan...

rumours in the morning session that the Government had lost the crucial parliamentary vote on the reform of the secret ballot system...

unchanged at 391.74. Privatised banks were active again on rumours of stake reshuffling and the healthy state of their books...

DMS to DM306 on speculation that it will win the contract to distribute Opel cars in West Germany. Opel would not confirm that it had discussed the deal with Mass...

ASIA PACIFIC

Technical bounce puts end to Nikkei slide

Tokyo
A SURPRISING comeback by equities followed the strongly endless slide downward...

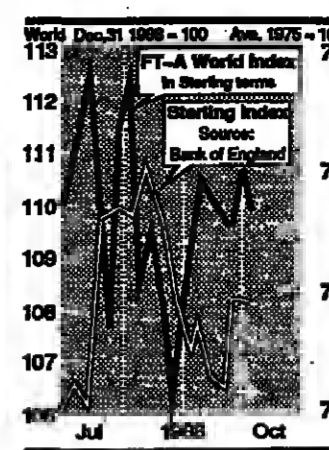
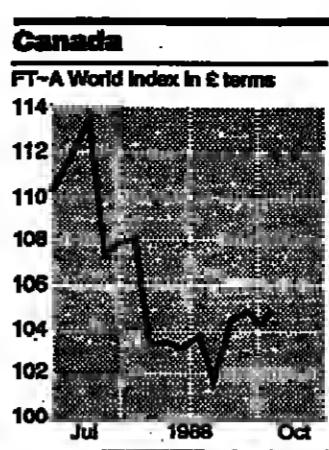
nical bounce. In addition, there was a noticeable reluctance to see the Nikkei finish below 27,000, particularly before a long weekend in Japan...

Tokyo, with the OSE average rebounding to close only 11.23 off at 25,443.63.

interest from US institutions, but buying mostly originated from local investors. A key factor in boosting turnover was the decision by Mr Alan Bond, the Australian entrepreneur, to buy the remaining minority shareholdings in his Hong Kong property vehicle, Bond International...

Canada hopes for election tonic

Toronto's battered Bay Street financial community is looking to the forthcoming general election to provide a much-needed fillip for business.



THE VANCOUVER Stock Exchange has fallen into deep depression, hit by the shaky gold market and investors' ongoing aversion to speculative securities.

lic offerings, an amount insufficient to fund an adequate exploration programme. Once the money has run out, the shares tend to drift, depressing the index.

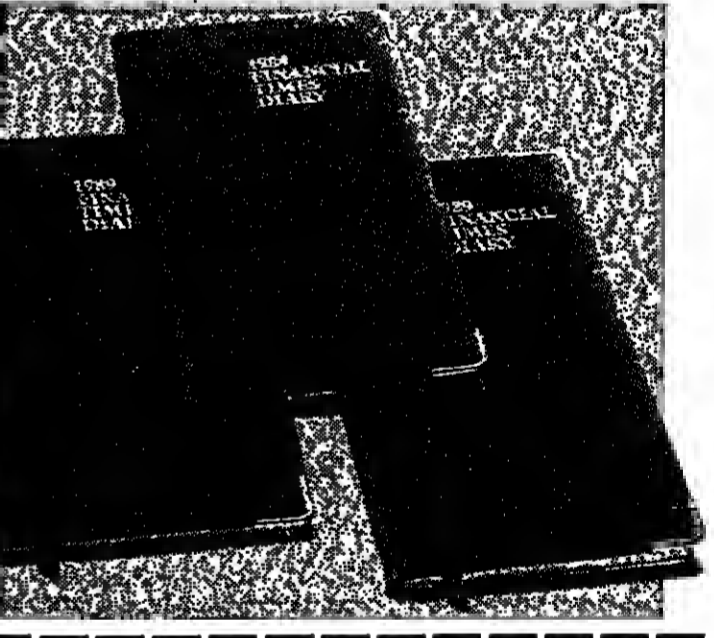
companies may be tempted to launch "me too" recapitalisation programmes mimicking the Inco model.

Gold and energy stocks, by contrast, have generally lost ground in response to the weak markets for these underlying commodities.

David Owen
The announcements will come shortly after the general election result is known. Like the election result itself, they will be anxiously awaited by Toronto's dispirited brokers.

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Table with columns: NATIONAL AND REGIONAL MARKETS, THURSDAY OCTOBER 6 1988, WEDNESDAY OCTOBER 5 1988, DOLLAR INDEX. Rows include Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Korea, Malaysia, Mexico, Netherlands, New Zealand, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, UK, USA, and World Index.

Base values: Dec 31, 1986 = 100; Finland, Dec 31, 1987 = 112.67; US \$ Index, 90.72; Pound Sterling, 94.94. Copyright: The Financial Times, London & New York. All rights reserved.

LONDON STOCK EXCHANGE Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. Details relate to those securities not included in the FT Share Information Services. Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talliesman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

† Those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date. ‡ Bargains at special prices. § Bargains done the previous day. § Bargains done with non-member or overseas markets.

British Funds, etc

Trustee's 5% S&A 1994 A - 238 1/2 %
Trustee's 5% S&A 1994 B - 238 1/2 %
Trustee's 5% S&A 1994 C - 238 1/2 %

Stocks and Country

London 2 1/2% Cons Stk 1992 - 238 1/2
Greater London Council 5% Stk 1992 - 238 1/2
Greater London Council 8% Stk 1992 - 238 1/2
Greater London Council 10% Stk 1992 - 238 1/2

UK Public Boards

Agricultural Mortgage Corp PLC 5% Deb Stk 2004 - 238 1/2
Agricultural Mortgage Corp PLC 6% Deb Stk 2004 - 238 1/2
Agricultural Mortgage Corp PLC 7% Deb Stk 2004 - 238 1/2

Commonwealth - Government

South Australia 3% Cons Stk 1991 (after) - 238 1/2
Jersey Electricity Co Ltd 5% Deb Stk 2000 - 238 1/2

Foreign Stocks, Bonds, etc (coupons payable in London)

Alloy National Society 10% Deb Stk 1988 - 238 1/2
Alloy National Society 12% Deb Stk 1988 - 238 1/2
Alloy National Society 14% Deb Stk 1988 - 238 1/2

New Ord 8 1/2% (P&L-C) 1988 - 238 1/2
Balfour Beatty PLC 5% Deb Stk 2000 - 238 1/2
Balfour Beatty PLC 6% Deb Stk 2000 - 238 1/2
Balfour Beatty PLC 7% Deb Stk 2000 - 238 1/2

Goodwin PLC 10% Deb Stk 2000 - 238 1/2
Goodwin PLC 12% Deb Stk 2000 - 238 1/2
Goodwin PLC 14% Deb Stk 2000 - 238 1/2

80-Scot PLC 10% Deb Stk 2000 - 238 1/2
80-Scot PLC 12% Deb Stk 2000 - 238 1/2
80-Scot PLC 14% Deb Stk 2000 - 238 1/2

First National Finance Corp PLC 10% Deb Stk 2000 - 238 1/2
First National Finance Corp PLC 12% Deb Stk 2000 - 238 1/2
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Gold Fields Corp Ltd 10% Deb Stk 2000 - 238 1/2
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Gold Fields Corp Ltd 14% Deb Stk 2000 - 238 1/2

North British Water 10% Deb Stk 2000 - 238 1/2
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British Gas 10% Deb Stk 2000 - 238 1/2
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STATION 1049

PRICE WATERHOUSE AND FINANCIAL TIMES CONVEYANCE SERVICES. CAPITAL MARKETS WORKSHOP. This important 3-day workshop will benefit all those responsible for managing capital market activities...

LONDON STOCK EXCHANGE

Further gains in active equity sector

UK EQUITIES continued their improvement in late trading yesterday, closing firmly for the fourth consecutive trading session.

Account Dealing Dates table with columns for Deal Dates, Open, Close, and Last Trade.

Although another high share volume through the Seag system reflected heavy inter-bankmaker business, analysts stressed the greater optimism shown this week by investment institutions towards UK equities.

US rates can also be kept stable. These views have brought a "greater willingness to buy the market" on the part of the domestic investment institutions, commented Mr Harwood.

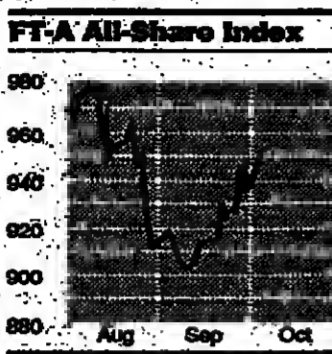
Seag volume of 583m shares competed with 578m on Thursday, and was boosted by the placing of RTZ's 52m share stake in LASMO, which sparked speculative interest elsewhere in the market.

BZW and Phillips & Drew by increasing dealing sizes and some spreads and "had a very good day as a result" according to Mr Nigel Hughes, Hoare's senior trader.

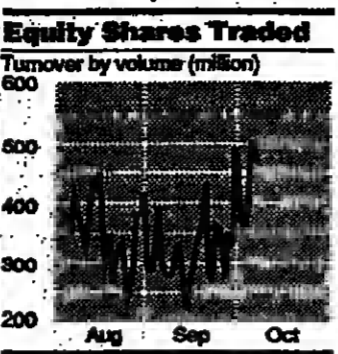
The next hurdle for share prices will come on Thursday when the US trade figures for August are released. Also due next week are producer prices, unemployment and earnings statistics for the UK, which will be scanned for signs of the trend of domestic inflation.

RTZ sells LASMO stake

A tumultuous week in the oil and gas sector closed with mining group RTZ selling their 28 per cent stake in LASMO shares.



their trading range and through a chart indicator when they crossed the 145p barrier last week, but dealers describe the sale as a "sell-off" rather than the company's solid reputation.



about a possible bid from RTZ following the sale of its 28 per cent stake in Lasmo. A takeover price of 25 pence per share for BOC was being held about 10p above some quarters.

which raced up to close 8 higher at 118p. Store shares rounded off a fine and busy week on a relatively quiet note. However, speculative activity in Sears, up 3 1/2 at 137p, showed few signs of abating.

were traded. Sandell Perkins, up 13 at 261p, recently claimed 41 per cent acceptance for its agreed merger with Travis.

The move by RTZ immediately prompted stories in the market that the shares may well be part of a "sell-off" operation by British Gas.

Standard hints. Standard Chartered Bank shares came under significant pressure late in the session and ran back to 525p before steady-ly and eventually closing a net 5 down at 529p.

International stocks improved towards the end of the session, with Becham rising 5 to 475p and Fisons a penny to 265p.

There was plenty of interest in the insurance sector where competition between two leading firms of marketmakers grew fiercer by the minute.

There was a good income stock, was noteworthy for a gain of 6 at 178p. A re-rating was said to have been behind a rise of 8 to 355p in Norcross.

Hanson resumed its upward march, rising 2 to 151 1/2p in turnover of 3.2m shares which was mirrored by heavy activity on the traded options market.

All of the so-called "White Knights" - Sir Y.K. Fao with 14.9 per cent, Alan Sidi Khoo Peck with 7 per cent and Alan Bond with a 1.9 per cent stake acquired as part of the Bell Group from Robert Holmes & Court, were being talked of as potential sellers of their shareholdings in the banking group.

BP gave another resilient performance with the old 1 1/2 down at 240 1/2p on turnover of 3.2m and the new penny leader at 129 1/2p on turnover of 3.5m, with the market keeping calm over the prospect of a number of heavy placings of BP shares.

Mr Dino Adriano will be appointed managing director designate, Homebase, from January. He will succeed Mr Dennis Miles as managing director in April.

Mr John Selway has been appointed managing director of P.J. HOLLOWAY (SALES). He was eastern region general manager for STC Distributors.

COMMODITIES

WEEK IN THE MARKETS

Ivory Coast sparks cocoa rally

THE COCOA and coffee markets swapped roles this week, with London cocoa futures rallying from 12 1/2 pence to 14 1/2 pence, a 20 per cent gain.

can producer may also repeat last season's policy of refusing to sell cocoa prices below its break-even level.

delegates would succeed in reaching an export quota agreement at their two-week meeting from September 19. But the settlement of the 1988/89 quota, after the seemingly obligatory weekend extension, appears to have been interpreted as a "sell" signal.

25 the 15-day average of the ICO's composite indicator price is above the 114.40 cents a lb ruling when agreement was reached.

Mr John Selway has been appointed managing director of P.J. HOLLOWAY (SALES). He was eastern region general manager for STC Distributors.

FINANCIAL TIMES STOCK INDICES table with columns for Govt Secs, Fixed Interest, Ordinary, Gold Mines, etc.

S.E. ACTIVITY table with columns for Indices, Oct 6, Oct 5.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume for various stocks like BHP, ICI, etc.

least two leading French companies were taking a close look at BICC. Speculative activity continued in Vickers which pushed ahead to close 8 dearer at 180p.

APPOINTMENTS

Changes at Sainsbury's

SAINSBURY'S has made the following appointments: Mr Colin Harvey will be appointed to the board of J. Sainsbury in the late summer of 1989.

subsidaries of Inco Engineered Products. Mr Stephen O'Brien, chief executive of Business in the Community, has become chairman of UK2000.

Mr John Duerden has been appointed managing director and chief operating officer of the international division of REEKOB INTERNATIONAL, the consumer marketing company.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abnott Management Ltd, and others, with columns for name, manager, and other details.

Table listing unit trusts including Abnott Management Ltd, Abnott Management Ltd, and others, with columns for name, manager, and other details.

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I.G. INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD. Tel: 01-828 7233/5699. Reuters Code: IGIN, IGI0.

Table showing FT 30 and FTSE 100 Wall Street indices for Oct. 14/87, Oct. 18/87, and Oct. 21/87.

Table titled 'LEADERS AND LAGGARDS' showing percentage changes since December 31, 1987, based on Thursday October 6, 1988.

Table titled 'RISES AND FALLS' showing the number of rises and falls for various categories like British Funds, Corporate & Foreign Bonds, etc.

Table titled 'BANK RETURN' showing liabilities and assets for the banking department, with columns for 'Liabilities' and 'Assets'.

Large table listing unit trusts with columns for name, manager, and other details, including Abnott Management Ltd, Abnott Management Ltd, etc.

Table listing unit trusts including Abnott Management Ltd, Abnott Management Ltd, and others, with columns for name, manager, and other details.

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GUIDE TO UNIT TRUST PRICING. The data included under the Authorised section of the FT Unit Trust Information Service is based on information provided to the FT Unit Trust Information Service by the unit trusts.

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FT UNIT TRUST INFORMATION SERVICE

Main table containing unit trust information, including columns for company names, descriptions, and financial data. Includes a large 'INSURANCES' section in the middle.

INSURANCES

OTHER UK UNIT TRUSTS

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Table of FT Unit Trust Information Service listing various unit trusts, their managers, and performance metrics.

LONDON SHARE SERVICE

Table of London Share Service listing British Funds, Foreign Bonds & Rails, and Americans.

Table of Money Market Trust Funds and Bank Accounts listing various financial products and their details.

LONDON SHARE SERVICE

AMERICANS - Contd
Table with columns: Stock, Price, % Chg, Bid, Offer. Lists various American companies like American Lightening, American Oil, etc.

CANADIANS
Table with columns: Stock, Price, % Chg, Bid, Offer. Lists Canadian companies like Alcan, Canadian National, etc.

BANKS, HP & LEASING
Table with columns: Stock, Price, % Chg, Bid, Offer. Lists financial institutions like Bank of Montreal, etc.

BEERS, WINES & SPIRITS
Table with columns: Stock, Price, % Chg, Bid, Offer. Lists beverage companies like Carlsberg, etc.

BUILDING, TIMBER, ROADS - Contd
Table with columns: Stock, Price, % Chg, Bid, Offer. Lists construction and infrastructure companies.

CHEMICALS, PLASTICS
Table with columns: Stock, Price, % Chg, Bid, Offer. Lists chemical and plastic companies.

DRAPERY AND STORES
Table with columns: Stock, Price, % Chg, Bid, Offer. Lists retail and clothing companies.

ELECTRICALS
Table with columns: Stock, Price, % Chg, Bid, Offer. Lists electrical and utility companies.

ELECTRICALS - Contd
Table with columns: Stock, Price, % Chg, Bid, Offer. Continuation of electrical companies.

ENGINEERING - Contd
Table with columns: Stock, Price, % Chg, Bid, Offer. Continuation of engineering companies.

ENGINEERING
Table with columns: Stock, Price, % Chg, Bid, Offer. Lists engineering companies.

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Table with columns: Stock, Price, % Chg, Bid, Offer. Lists engineering companies.

ENGINEERING - Contd
Table with columns: Stock, Price, % Chg, Bid, Offer. Continuation of engineering companies.

FOOD, GROCERIES, ETC
Table with columns: Stock, Price, % Chg, Bid, Offer. Lists food and grocery companies.

HOTELS AND CATERERS
Table with columns: Stock, Price, % Chg, Bid, Offer. Lists hospitality companies.

INDUSTRIALS (Misc.)
Table with columns: Stock, Price, % Chg, Bid, Offer. Lists various industrial companies.

INDUSTRIALS (Misc.) - Contd
Table with columns: Stock, Price, % Chg, Bid, Offer. Continuation of industrial companies.

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INDUSTRIALS (Misc.) - Contd
Table with columns: Stock, Price, % Chg, Bid, Offer. Continuation of industrial companies.

INSURANCES
Table with columns: Stock, Price, % Chg, Bid, Offer. Lists insurance companies.

LEISURE
Table with columns: Stock, Price, % Chg, Bid, Offer. Lists leisure and entertainment companies.

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LONDON SHARE SERVICE

LEISURE - Contd

Table of Leisure stocks including Leisure Group, Leisure Leisure, Leisure Leisure, etc.

PROPERTY

Table of Property stocks including Property Property, Property Property, etc.

TEXTILES - Contd

Table of Textiles stocks including Textiles Textiles, Textiles Textiles, etc.

TRUSTS, FINANCE, LAND - Contd

Table of Trusts, Finance, Land stocks including Trusts Trusts, Finance Finance, etc.

OIL AND GAS - Contd

Table of Oil and Gas stocks including Oil Oil, Gas Gas, etc.

MINES - Contd

Table of Mines stocks including Mines Mines, Mines Mines, etc.

MOTORS, AIRCRAFT TRADES

Table of Motors, Aircraft Trades stocks including Motors Motors, Aircraft Aircraft, etc.

TRUSTS, FINANCE, LAND

Table of Trusts, Finance, Land stocks including Trusts Trusts, Finance Finance, etc.

OVERSEAS TRADERS

Table of Overseas Traders stocks including Overseas Overseas, Traders Traders, etc.

PLANTATIONS

Table of Plantations stocks including Plantations Plantations, etc.

NEWSPAPERS, PUBLISHERS

Table of Newspapers, Publishers stocks including Newspapers Newspapers, Publishers Publishers, etc.

Investment Trusts

Table of Investment Trusts stocks including Investment Investment, Trusts Trusts, etc.

Finance, Land, etc

Table of Finance, Land, etc stocks including Finance Finance, Land Land, etc.

MINES

Table of Mines stocks including Mines Mines, Mines Mines, etc.

PAPER, PRINTING, ADVERTISING

Table of Paper, Printing, Advertising stocks including Paper Paper, Printing Printing, Advertising Advertising, etc.

SHIPPING

Table of Shipping stocks including Shipping Shipping, Shipping Shipping, etc.

SHOES AND LEATHER

Table of Shoes and Leather stocks including Shoes Shoes, Leather Leather, etc.

SOUTH AFRICANS

Table of South Africans stocks including South South, Africans Africans, etc.

TEXTILES

Table of Textiles stocks including Textiles Textiles, Textiles Textiles, etc.

OIL AND GAS

Table of Oil and Gas stocks including Oil Oil, Gas Gas, etc.

Australian

Table of Australian stocks including Australian Australian, Australian Australian, etc.

REGIONAL & IRISH STOCKS

Table of Regional & Irish Stocks including Regional Regional, Irish Irish, etc.

TRADITIONAL OPTIONS

Table of Traditional Options including Options Options, Options Options, etc.

INSURANCE

Table of Insurance stocks including Insurance Insurance, Insurance Insurance, etc.

Notes and disclaimer text at the bottom right of the page.



Weekend FT

SECTION II

Weekend October 8/October 9 1988

The Oxford ark that Bodley built

Robin Lane Fox assesses the threat posed to a great library because of cuts in Government grants

AS THE undergraduates return to Oxford this weekend, every bank in the city is trying to trap them with cheap loans: free wallets and even the dreaded college scarves. Perhaps they should try book tokens. In the past 15 years, the price of books has vastly outperformed the dwindling student grant. In Oxford, even the tutors are no longer sure of access to whatever they need to read for their subjects.

The university's great library, the Bodleian, is severely short of money. It needs money to maintain the most marvellous library buildings in Europe; it needs serious money to jump the hurdle of computerisation, a massive task which will then save funds; it needs money to cope with the spate of books published in Britain which it receives free by copyright; it needs money to keep up the yearly runs of foreign periodicals and books which it buys to match the British material in the subjects of university research.

In 1605, Sir Francis Bacon wrote to Thomas Bodley, the library's founder, that he "had built an ark to save learning from deluge." Without the Bodleian, many of the best-known names in British scholarship would never have made their mark. In its ark, they have sailed past the fog-banks of provincial ignorance to the seas of international knowledge, whether in history, law, or evolutionary biology.

In the past 20 years, I have used the library constantly for classical literature, the history of the world from Homer to Mohammed, early Christian studies, gardening, casual reading and back numbers of the FT. Very seldom have I met with gaps - the curse of scholars almost everywhere else. If the gaps in the ark increase, we cannot trust it to take us to the frontiers of understanding.

The Bodleian faces a deluge, caused directly by the Government's continuing cuts in the grant to universities. It costs £5.45m a year to run its huge central building and four sister libraries, 65 miles of book-shelving, 5.1m books (increasing yearly), over a million maps, 50,000 continuing periodicals and 25,000 readers with admission tickets and individual demands from all over the world. Its endowments and services are sensibly managed to bring in £200,000 a year, but the remainder has to come from the yearly grant which the Government makes to the university. That grant continues to be cut in real terms: like the Bodleian, the university is cutting senior staff and struggling with its budget.

The Bodleian's problems, like the university's, cannot be solved, or blamed, on Oxford's surrounding colleges. They have their own budgets and heavy responsibilities for staff, tutors, students, stone-work and their own teaching libraries. Very few have the surplus which outsiders invest for them, and certainly not enough to make any serious impact on the budget of a library of global learning. The Bodleian is not an Oxford student library but one for scholars and recommended readers world-wide with a suitable reference, anyone can use it. In Oxford, its range gives undergraduates the chance to escape from their tutors. To me, as to thousands of others, it is the mother of all niches that nobody ever taught me from the building styles of Italy to lesser-known novels by Tolstoy or the changing history of Iran.

By lateral, centrifugal reading, writers and their public are saved from being dull. In the 1980s, library finances have become big news. Manchester's Rylands Library this year sold valuable treasures (not everybody agrees they were "second copies" rather than permanent gifts); the bleak new arsenal for the British Library is rising gloomily beside St Pancras, at a

cost to the Government of £400m; President Mitterrand is expected to re-house and revive Paris' Bibliothèque Nationale at even greater cost as a showpiece of his new term of office; and the New York Public Library has blossomed under a shower of private giving, orchestrated by the remarkable energies of Warren Christian and Brock Astor as the "smartest cause in town."

Britain, and Oxford, have a healthy suspicion of "smart causes." This year is the 500th anniversary of the loveliest, although not the smartest, reading room in Britain: the library of Humfrey, Duke of Gloucester, round which the Bodleian has grown up. The library's future risks falling between two categories. It is world-famous and used world-wide without being national or public; it is part of a university without being confined to it. It is much too good to be left to run down because a government wishes to cut its university bill.

In reply, the Bodleian has started a campaign. This July, readers who expect to have daily access to texts on D. H. Lawrence, studies on the rise of empires or the inexhaustible decisions of the Christian Church found their stronghold, the circular Radcliffe Camera, shut to scholarly research. Learning had had to wait for a dinner party, held among the theology books to launch the Bodleian Appeal Campaign for £10m in the presence of the Prince of Wales. In New York, donors will pay thousands of pounds to sit at a library table with people of their choice; should it have £10,000 for Jewish Berlin and an auction of Norman Stone to the highest bidder?

In Oxford, potential benefactors, set for nothing beside university dignitaries. Money and brains were expected to "make contact" so much so that the wife of one famous Oxford intellectual found herself being asked by her all-too-businesslike neighbour to spend a fortnight with him in South America. (Like a medieval cathedral, the Bodleian has always been the scene of brief encounters and strange romances, because it forces both sexes and all ages to sit, read and concentrate in the same room.)

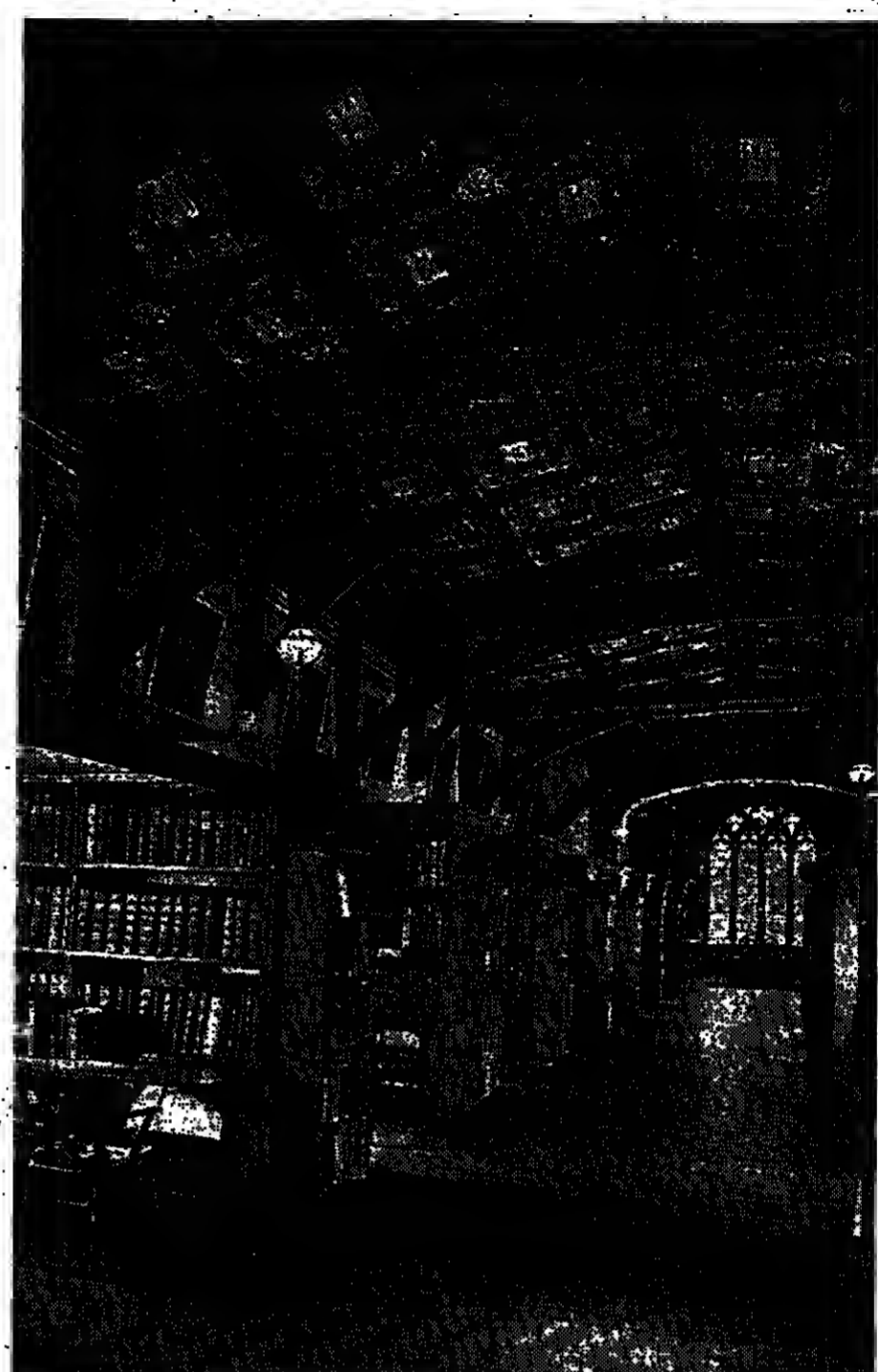
The hope now is that encounters will lead world-wide to individual gifts and take the Bodleian out of the range of this Government's fall-out. Why, though, does it deserve the money? There are five other copyright libraries that receive everything printed in this country. Can Bodley's library be copying the British Library's being built up deliberately to a budget of

£7m a year. One answer is that the Bodleian is much older and infinitely more beautiful, but buildings like its divinity school are extremely expensive to maintain. In Cambridge, the library is one newish building, designed for its modern purpose on a single site. The Bodleian has to staff and maintain four outlying libraries outside its early core. It has lived off law, science and colonial studies which (in Oxford) include American history.

Another answer is that the Bodleian is not any old copyright library. It owes its life to Thomas Bodley, husband of a very rich widow whose family fortune was based on the fish trade to Europe. Between 1580 and his death in 1618, Bodley made his library cosmopolitan. One of his motives is supposed to have been his deep dislike of Catholics. The first librarian was very Protestant and the library did become a stockpile of anti-papish texts. In fact, Bodley's own horizons were wider and more generous. He was competent in Greek and Hebrew; he saw the value of Arabic; wonderfully, he urged an English agent in Aleppo to buy books in Turkish, Persian and any Eastern language even if people in England could not yet read them. By 1607, he was even buying texts in Chinese: "I make no doubt but in process of time, by the extraordinary diligence of some one or other student they may be readily understood."

There are no new Bodleys in government, so we need them to stand forward among people of riches and position. Oxford, which had one, now has a world-famous library because one gift attracts another. To the early Oriental and mediaeval manuscripts have come dozens of later collections for safety, from political papers to manuscripts of Shelley's poems and the treasures of many of the colleges by permanent loan or gift. The Bodleian is not just a store of supposed new verses by Shakespeare. Among copyright libraries, its strengths are unique.

So is its atmosphere. If you wonder why atmosphere matters, try a week in France's copyright library, the Bibliothèque Nationale. Readers queue like cinema-goers for one of the 300 seats at opening time (the Bodleian seats 2,000); up to a third of the shelf marks are inaccessible at any one time (17 per cent of the Bodleian books are waiting on open display and all are available on call). There is no tyrant quite like a library tyrant, but Bodley's staff are picked by the library; they have even saved my shopping overnight in the bridge when I have left it at the desk at closing time. In Paris, the staff are civil servants who work to their own rhythm.



During one awful queue, it emerged that the library staff were absent, taking their children to the circus on a visit organised by the French Ministry of Education. In Bodley, the staff serves the readers, not the state. Nobody, not even King Charles, has been allowed to borrow a book. Cambridge, by contrast, is a lending library, so gaps are inevitable on any one day. Admittedly, the Cambridge Library is more famous for its tea room, one of the prime centres of free intellectual exchange; the Bodleian does have a graduate's common room, which I think I have smelt but not seen. One of Oxford's slowest operators reserves his really secret business for the common room because it is the one place where there is nobody around to overhear it.

The Bodleian's problems go wider than the tea room or the newer graffiti in the gentlemen's lavatories (this has coarsened dramatically since the introduction of obligatory readers' tickets in 1972. Now that you can enter only with a ticket you know that its authors must be among you, reading mildly in your company). Its problems connect also to the ambitions of our age. Like no other society, we are setting out to keep copies of everything printed. The reason is not simply timidity, although the Bodleian has to respect this argument. In the 1670s, it sold its Folio copy of Shakespeare, presumably doubting its staying power. Although there are limits to saving, we certainly do not know yet where to draw them tidily. It seems clear that Shirley Couran will never write the new *Vanity Fair*, although I fear she might write another gardening book. But what about this year's new novelists, let alone the problem of pseudonyms? In 1911, the Bodleian rejected *The Simple Life Ltd* by Daniel Chaucer; it was a work by Ford Madox Ford which made important allusions to Joseph Conrad. Books, however, are also the vital source of new books. Shirley Couran might not be much of a writer, but *Lace* is part of popular taste and the idea of Superwoman will have to be analysed in social

history. We all idealise and pay heavily for the dumb evidence of archaeology, but anything in print is evidence at quite a different level. There has been a shift in our intellectual outlook. In the past hundred years, we have appreciated more fully that knowledge is subjective and that science, too, is a point of view. Old textbooks no longer die; they linger for 50 years and become books on the human history of their subject. To our great credit, those histories have expanded marvellously.

Women's history will be narrowed if it cannot look back in amazement on *Playboy* or *Woman's Own* as well as on high-brow writings. The history of childhood will be thankful for images of Lord Snooty as well as for texts on child psychology. The more we try to understand ourselves and our past, the more we deepen our own humanity; by contrast, consider the Khmer Rouge. Our leading libraries must not throw away the evidence.

The problem is that there is so much more to keep. Since 1960, cultural pundits have declared that the printed word is dying; they ought to take up weather forecasting. In Britain, books have multiplied and newspapers now come in huge wedges. In 1964 some 34,000 new titles appeared whereas, in 1987, Britain poured out 61,000, extending the Bodleian's shelving by another 1.3 miles. Part of it runs outside Oxford and might eventually undermine the university's rather dreary arboretum. Part runs under the library and its streets in those underground catwalks that were fictionalised creepily by J. L. M. Stewart in the finale to *Operation*. "What sort of people find the books? Quite small boys, I've been told, and some people say it has to be dwarves."

No other country has six copyright libraries; personally, I wish we had 10, four to serve the north. Once a library has this resented privilege, it is absurd to abandon it or cut it in half. To save funds, the right ought to be extended to include all books in European languages; if the EEC really wishes to give legal substance to its talk of "cultural unity," meanwhile the Bodleian has to cope with a growing mass on a falling budget. Its catalogue really has to be put on computer; more money is needed for conservation, storage, and the increased demand from readers that computer catalogues bring in their wake.

Like most passengers in the ark I, too, have had occasional doubts. Could we not call a halt? Do we really want reader-friendly screens at every desk in Duke Humfrey's library? I remember the consultant who tried to tell us the benefits by asking us what we were reading. It happened to be *The Cherry Orchard*. "Just think," he replied, "every title on shelves and every title on orchards before your eyes in half a minute."

Under David Vaisey, librarian since 1986, I trust the terminals to be less reader-crazy and the Bodleian, if supported, to float through our self-inflicted deluge. The lifeline, however, is up to us. Personally, I have always left a legacy to put plants of scented jasmine in the lower reading room to brighten up the winter. In the Metropolitan Museum, I now discover, somebody has just given money for a weekly flower arrangement to be maintained in the front hall. We cannot let New York get that far ahead of us but if I am going to find it, knowing Oxford, I am thankful to know that all those books on flower arranging are being stored carefully.

Appeal details from *The Bodleian Library, Oxford, OX1 3BG*.

The Long View

It's no fun being a buccaneer now

THE BUCCANEERS are leaving Hong Kong and the regulators are scowling in. For good or ill, the territory's volatile stock market might never be quite the same again.

Respectability now counts for more than the traditional wholehearted pursuit of a quick profit. It might be no coincidence that Sir Kenneth Barrill, ousted such-bureaucrat of the UK's Securities and Investments Board, was in town this week, albeit strictly in an unofficial capacity.

There can be no more sensitive indicator of the shift towards tougher regulation of stock markets world-wide than the mood in Hong Kong. This tiny slice of south China has been buffeted with the wind, and not just with Typhoon Nelson which has been prowling somewhere offshore this week.

But a territory like Hong Kong has no wish to be at the leading-edge of regulation. That can be left to the Americans. All the same, standards have to be kept up to date. The trick is to stay just far enough behind the pack to gain an advantage, but not so far as to be ruled out of contention.

Last October, the Hong Kong Stock Exchange got out of line. Alone out of markets with international pretensions, it closed after the crash for a period of four trading days. Locals protest that, in practical terms, many other markets were no more open. Indeed, this week the neighbouring



Barry Kroll
Stock market policemen are gaining the upper hand. But a visit to Hong Kong stimulates some thoughts on the limits of regulation.

Taipei stock market, in the process of undergoing its own private version of the crash, has been stalled repeatedly by its 3 per cent limit down restrictions. The market is open, Mr Investor - but sorry, you can't trade. Try again tomorrow. However, form can matter

more than substance. And when the futures market collapsed, a major financial crisis in the wake of the crash, the Hong Kong Government was forced to raise its profile. Now, a spring-cleaned Stock Exchange council is about to assume power, and new regulators have sprung up armed with the kind of big budgets and draconian powers that were not available before.

Cowboy exchanges are more fun. In the past, the Hong Kong market could be relied upon to go up faster than almost anywhere else (and then suffer downings to match). It offered action. On the other hand, if you want to attract pension fund managers as investors, you have to persuade them that they would not be in breach of their fiduciary responsibilities by venturing into ill-regulated markets.

So, today, the cleaned-up market snoozes. A couple of weeks ago, bored dealers on the trading floor had to be stopped from bringing in portable TV sets to watch the Olympics. On the fundamentals, Hong Kong stocks are dirt cheap - by historical standards, at any rate. But nobody really wants to know. Fortunately, the racing season opened at Happy Valley on Wednesday night. *Money Rolling In* romped home a winner.

Curiously, another visitor this week happened to be Mil-

ton Friedman, free market fanatic and a man who believes that insider trading can make markets more efficient. In Hong Kong insider trading is not yet a crime, but it can lead to public condemnation. Yet, much of the dealing on the Hong Kong stock market traditionally has been by controlling shareholders of family companies. Why else, the locals argue, should anybody deal except on the basis of what they think is special information? This has been the basis of the high liquidity that has been the most important distinguishing feature of Hong Kong among the Far Eastern exchanges (outside Japan, at any rate).

So, there could be a trade-off for the international institutions which the Hong Kong authorities want to attract. In the past there has been a liquid market where, once in a while, there was a risk of being on the wrong end of a fraudulent transaction. In the future, it will be possible to assume much greater honesty but it might not be possible to deal in any size. Which is better? The answer will depend on whether the new, clean image of Hong Kong (assuming it can be sustained) will attract a new wave of listings.

It is certain that there is a vast amount of institutional capital in the US, Japan, Europe and elsewhere that could become available for investment-grade equities in the South-East Asia region.

But it has yet to become clear if the right corporate formulae can be put together. What are wanted are solid, long-term enterprises rather than property and finance packages put together by wheeling and dealing entrepreneurs.

Meanwhile, there is an odd contrast between a truly Asian market like, say, Taipei, where the barred foreigners have been clamouring to get in (at least until the past few weeks) and that of Hong Kong, where there is a risk that the local participants will be frightened away. That appears to be a real danger. If there is too much emphasis on disclosure of dealings, swoops by securities commissioners, and probes by insider trading tribunals.

If it could be that more bullish conditions would ease many of these fears. No serious money has been made (and much has been lost) in the Hong Kong equity market during the past year, and interest rates are high enough to discourage commitment to stocks. The big financial game in town now is currency speculation (which is where ultra-respectable central banks have developed insider dealing to a fine art).

So, good luck to the Hong Kong Stock Exchange. We need proof that good markets can drive out the bad. Exchange Square might provide a lesson for others. Perhaps you, too, can learn to like your securities commissioner.

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MARKETS

FINANCE & THE FAMILY: THIS WEEK

Ringing the changes in unit trust marketing

Retailers Marks & Spencer announced this week that it plans to launch its own unit trust. Hard on its heels came Morgan Grenfell's statement that it intends to offer from October 18 what it describes as the first index-linked unit trust for the retail market.

A grass-roots regional revival

In the first of a series by our regional correspondents on the status of local brokers, Ian Hamilton Fazey reports on the merger between Henry Cooke Lumened (HCL) and Edington, the Manchester-based merchant bank, which could be good news for the smaller investor.

The right time to do nothing

It is a defence document cliché in a takeover battle to advise that shareholders should take no action. Therefore, as Clay Harris reports, in the present struggle between Consolidated Gold Fields and Minorco, the best course of action may well turn out to be inaction.

In search of the 1992 effect

"Flavour of the month" marketing is back in the unit trust industry, with European growth trusts being promoted as potential star performers. Christine Stopp examines how the managers are pushing the single market.

The day the roof fell in

The summer and autumn of 1987 proved hellish years for development-rich property companies: until the October stock market crash, that is. Now, with merchant developers leading the Results Due announcements next week, it is time to count the cost. Report and tables: Page IV

BANKING: Making time for the public Page III

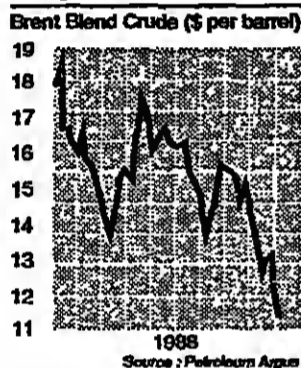
COMPANIES: Company News Summary: Page IV

INSURANCE: New watchdog at the helm: Page VII

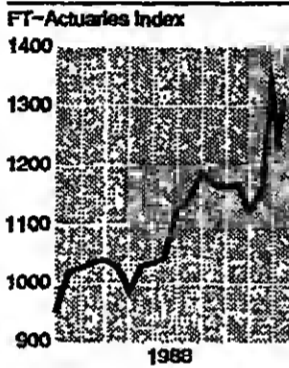
EKPATS: Why it pays to be choosy: Page VIII

BRIEFCASE: Your questions answered: Page IX

Oil price



Overseas Traders



Crude prices hit 26-month low

Oil prices spiralled down to a 26-month low this week after Saudi Arabia announced its intention to continue lifting oil production in a market that is already glutted. On Thursday, North Sea Brent was at \$11.25 a barrel.

Overseas traders dominate

Over the past month, the overseas traders have outperformed every other sector of the London market except mining finance - though this had less to do with fundamentals than with sheer Edelman's purchases of Lonrho shares.

Unit trusts remain subdued

Unit trusts ended the year before the anniversary of the October stock market crash on a subdued note, according to Opal Statistics. On an offer to offer price basis they showed an average profit last month of 1.7 per cent.

THE STOCK market took off yesterday morning as bond investors beaved a gigantic sigh of relief about the weaker than expected September employment report.

The Treasury's long bond by lunchtime could scarcely have failed to trigger the reflex reaction in equities which sent the Dow Jones Industrial Average up over 20 points.

But is the modest weakening of economic activity suggested by the employment numbers really such good news for Wall Street? A number of less widely publicised corporate announcements this week suggested that the US may now be entering the phase of the business cycle when equity investors have more to lose than to gain from slower economic growth.

Bulls still whistling in the dark

Just those industrial and export-oriented companies which are supposed to be sustaining the current phase of US economic growth. If this perception of slowing industrial growth, which seems also to be reflected in the details of the employment numbers, export figures, consumer confidence surveys and other economic statistics is confirmed in the months ahead, equity investors may soon start to rue their wishes for an economic deceleration.

A poke in the eye for the Pillsbury doughboy

EQUITIES, gilts and sterling kept their nerve this week as oil prices slid to two-year lows. The FT-SE 100 recovered from a shaky Monday to continue its upward progress of recent weeks. By Friday, it was holding steady around 1844, for a net gain of about 18 points on the week.

However, the Pillsbury doughboy bounced back from the poke in the stomach - as he always does in the TV adverts, only without his usual giggle. The Green Giant wasn't too jolly either. Pillsbury vouchsafed no opinion about the value of the offer, but filed a series of law suits challenging GrandMet's fitness as a distiller and brewer to own licensed restaurants.

GrandMet's gambit was a model of takeover tactics. Coming up with a cash bid 50 per cent above the previous night's

close - and nearly a quarter above Pillsbury's all-time peak in October 1987 - the diversified drinks, food and retailing group left its target gasping and appeared to have won the respect of New York arts and analysts alike.

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close - and nearly a quarter above Pillsbury's all-time peak in October 1987 - the diversified drinks, food and retailing group left its target gasping and appeared to have won the respect of New York arts and analysts alike.

JUNIOR MARKETS

It's all go for the logo moguls TAKE A look, if you will, at your local high street. From the fast food outlet to the bank, there are likely to be few stores that do not bear the hallmark of a redesign.

Whatever the impact on the stores, the undoubtedly beneficiaries have been the shopfitters, interior designers and refurbishers. And as a fast-expanding and people-based industry, it is no surprise that these businesses are playing a part on the USM.

Work across the business has been buoyant, which this week helped the company to announce a 51 per cent rise in pre-tax profits to £1.53m for the half year to July 30. In hotel refurbishment, there is strong demand from 1980s-built hotels for the conversion of small, poky rooms into larger, more luxurious suites.

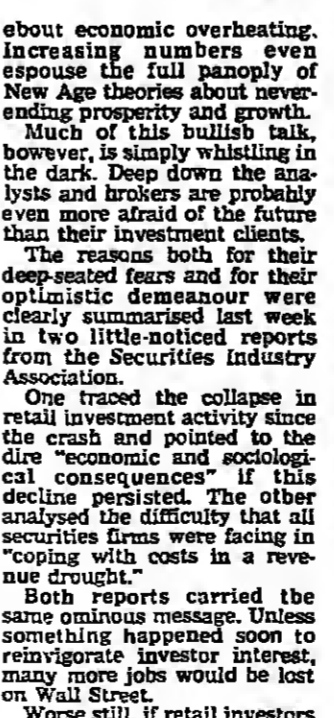
HIGHLIGHTS OF THE WEEK

Table with columns: Price y/day, Change on week, 1988 High, 1988 Low, and Notes. Includes FT Ind. Index, Aurora, BICC, Domino Printing, etc.

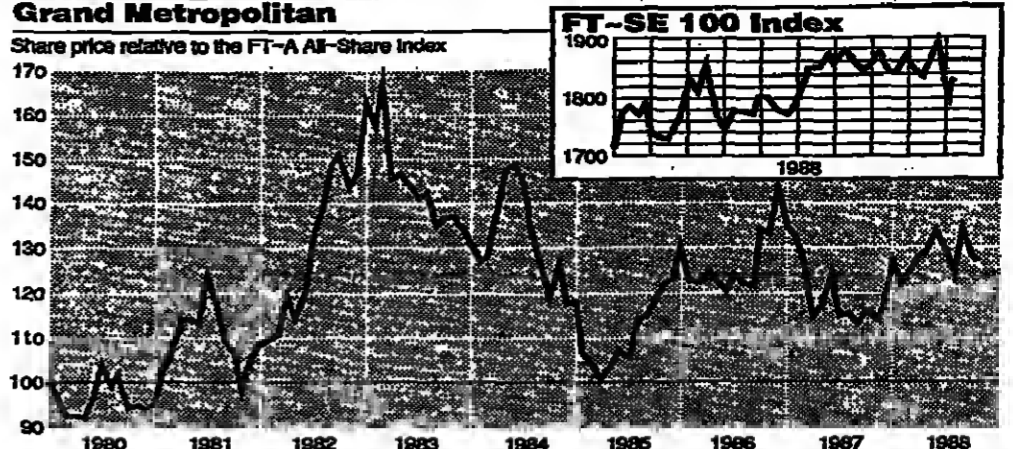
So far, so profitable. But with the possible downturn in consumer spending and the likely end to the takeover bonanza in the retail sector, could the fashion for retail facelifts be coming to an end? Not in the opinion of Cressman. He believes that as retailing becomes even more competitive, shops will continue to spend on design in an effort to maintain their market share.

WALL STREET

Dow Jones Industrial Averages



enough to create an intermediate oversold position, we prefer to sit on the sidelines. Patience is its own reward. Most brokers, and certainly most investors, appear to share his calmly gloomy view of the immediate future.



suggests that he had used a pretty short spoon to sup with a party his side now openly describes as an "international pariah." The UK Government would never use such blunt language about an inventor with a £15m portfolio in Britain, but the Kuwait Investment Office must have been tempted to read between the lines after Lord Young confirmed the Monopolies Commission's recommendation that the KIO be compelled to reduce its holding in British Petroleum from 21.6 per cent to 9.9 per cent within 12 months.

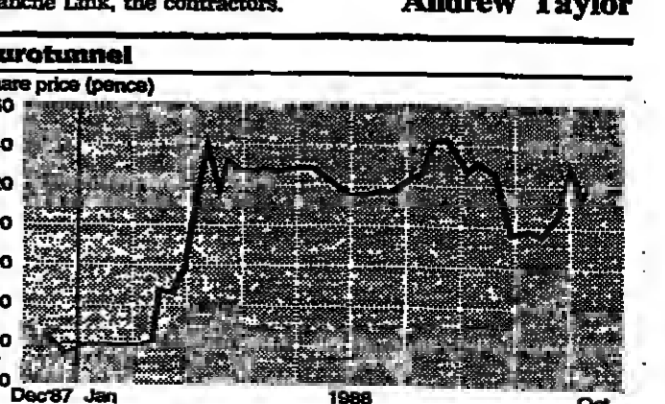
Eurotunnel hits costs obstacle

THE SHARE price of Eurotunnel, the Anglo-French Channel tunnel group, sprang a leak this week after it revealed the cost of the project would be £533m more than planned.

On the French side delays were initially caused by the failure of the French company contracted to supply the first tunnel boring machine. These have subsequently been nothing but problems with the machine digging the seaward side of the service tunnel.

Progress on the seaward side of the French end of the service tunnel has been tortuous and has averaged only about 17 metres a week during the past six weeks. However, the tunnel boring machine digging the landward end of the tunnel achieved 74 metres in extremely poor ground conditions last week.

Delays and cost increases are worrying at any stage of a major construction project but it is too early to start manning the lifeboats. First, delays in digging the service tunnel, which will run between the two 31-mile-long rail tunnels, accounts for only a proportion of the increased costs.



Worse still, if retail investors continued to shun the stock market, it was possible to imagine Congress implementing radical fiscal policies, particularly involving taxation, which do not consider the adverse impact on companies and the capital market in general.



FINANCE & THE FAMILY

Eric Short and John Edwards on the potential revolution in unit trust investment sparked by M & S and Morgan Grenfell

A strategy for all seasons

THE ANNOUNCEMENT by Marks & Spencer this week that it plans to launch its own unit trust could be the forerunner of a whole new deal for investors. It marks the entry of a fresh force into the unit trust industry that could result in a breakthrough in bringing the stock market to the public.

Marks & Spencer is not just extending the "share shop" marketing of investments in the High Street, as pioneered by Debenhams. Indeed, shops will not find a unit trust counter in M & S stores wedged between the lingerie department and food hall.

Instead, it is creating its own exclusive unit trust, tailored specially to appeal to its customers and using the same techniques it has employed to build up its reputation for quality goods.

The company is using outside suppliers for product design, investment management and unit pricing to produce a trust conforming to the M & S specifications of providing an "investment strategy for all seasons".

The first step was to hire a US investment consultant firm, Frank Russell International, to advise on designing a product to meet the M & S specifications and, second, to advise on the selection of investment managers.

The format of the underlying assets for the trust (which, for

a company with M & S's promotional skills, has an unimpressive name: the Marks & Spencer Investment Portfolio) is detailed in the accompanying table - 20 per cent fixed interest, 60 per cent UK equities and 20 per cent overseas equities, with the UK equities subdivided as shown.

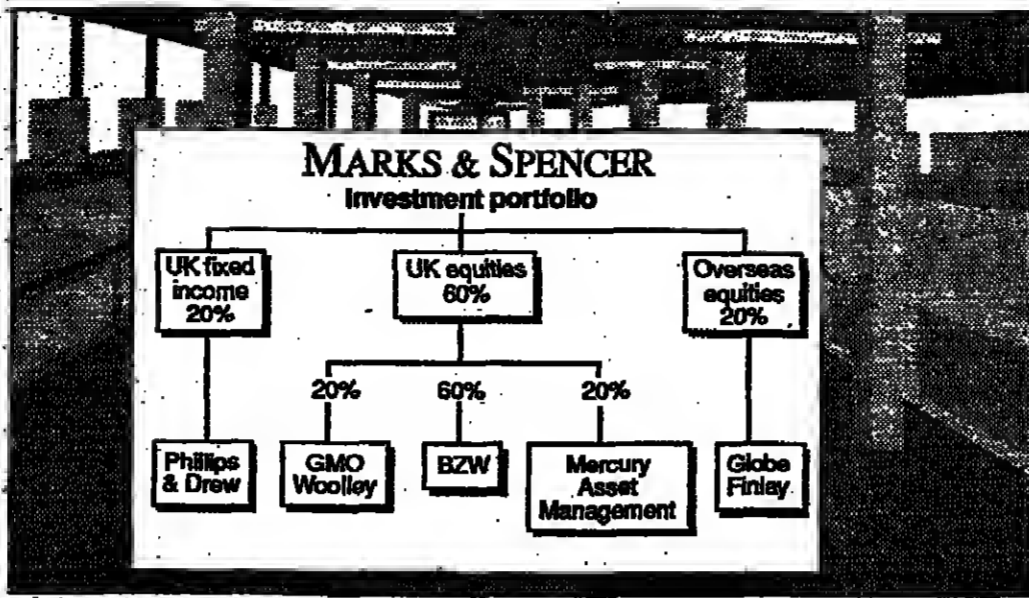
It is an investment strategy that will be familiar to pension scheme managers seeking steady, long-term and above-average growth and reflects Frank Russell's major involvement in the corporate pension investment management field.

However, it is a rather complex strategy for unit trusts. Normally, the investment objectives of these tend to be based rather narrowly so that the private investor can identify more easily where the money is going.

The M & S Investment Portfolio is closer to being an umbrella fund or a fund of funds, although Russell is emphatic that this trust is neither of these.

But the investment mix means it is the type of fund that never will be among the top 100 performers, except possibly in a bear market - a fact that M & S admits freely. It believes that unit trusts are long-term investments, and this strategy has its sights on the long term.

There is an impressive array of investment managers from



both sides of the Atlantic, splitting the fund in a manner again more akin to a billion-pound-plus pension fund. However, M & S has warned publicly that any who fail to meet its specifications will, like its other suppliers of mainstream goods, be dropped in favour of someone who can deliver.

On the marketing side, the group has decided against unit trust counters in its stores. Its primary sales effort, at least initially, will be concentrated on a direct mail campaign to its 2.2m charge card-holders, 120,000 budget card accounts and 300,000 shareholders.

So, even if there was a response of only 0.5 per cent, there would be 12,400 applications - a large figure when compared with present unit trust launches.

Brochures giving details of

the trust will be available in every M & S store, but any interested customer will be referred to the freephone line to Chester. Like anyone else offering investments, M & S is subject to the financial services regulations.

While it has no intention yet of having trained unit trust staff in any of its 578 stores, the trust also will be available through independent financial advisers, suggesting that this is not a move aimed at boosting store sales but a serious effort by the group to expand its financial services.

So far, the group has confined its financial services operation, launched in 1985, to activities related to its mainstream retailing through its credit cards - Chargecard, Budget Card and Card Safe - and its personal loans.

Now, M & S is moving in a different direction by seeking to become an important player in the unit trust industry and using its retailing skills to tap a new potential investment market.

During the initial offer period from October 13 to November 2, lump sum investments over £1,000 will qualify for 1 per cent discount. M & S account-holders, shareholders, staff and pensioners will be eligible for a 2 per cent discount on the minimum investment of £500. There also is a regular savings plan with a minimum of £25 a month.

The initial front-load charge is a conventional 5.5 per cent but the annual management fee at 1.5 per cent is on the high side, bearing in mind the constraints on the investment mix.

When average is best

IS A revolution in unit trust investment about to be triggered by the news that Morgan Grenfell plans to launch, on October 18, what it calls the first index-linked unit trust for the retail market?

Index funds could be called the cowardly (or safe) approach to investment. Instead of picking individual stocks and hoping they do well, index funds aim to track the performance of the whole market by choosing the stocks that make up the index used to measure the market's overall trend. It follows, therefore, that their performance must be strictly average.

So why should investors be interested in a fund that merely mirrors the market trend?

Well, the sad fact is that the majority (more than two-thirds) of unit trusts fail to match the indices of the markets in which they are investing, so a fund that performs in line with the index is, in fact, an above-average performer.

Statistics compiled by Microcap (see the accompanying graph) show that, over the past 10 years, the average performance of all unit trusts, including specialist and overseas funds, has fallen well below the theoretical return provided by the FT-Actuaries All-Share index for the UK market. More pertinently, during the same period the performance of UK unit trusts also was consistently below the All-Share Index, with the minor exception of UK growth trusts during the past 18 months.

One reason for this shortfall, of course, is that the performance of the unit trusts is undermined by the charges.

But the fact remains that, despite all the efforts of highly-paid fund managers, most unit trusts perform consistently below the market average and entail far greater risk for the investor. A star fund one year is quite likely to be a dud the next.

Tony Fraher, managing director of Morgan Grenfell Unit Trust Managers, says the



linked unit trust. With a minimum investment of £250,000 it was aimed firmly at institutions and very wealthy individuals, although it is understood that a retail version for smaller investors is to be introduced soon.

However, Morgan Grenfell, which entered the unit trust market only in April, has moved in first with its UK Equity Tracker Trust fund that will be offered at a fixed price of 100p a unit from October 18 to November 7. Its minimum investment is only £1,000 and there also is a regular savings scheme with a minimum of £50 a month.

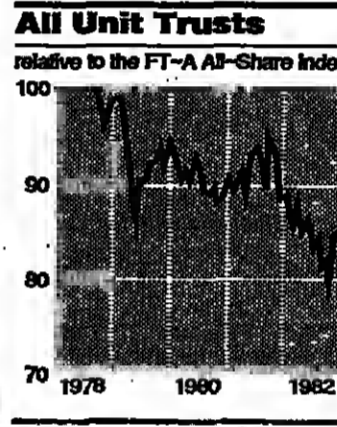
Both the Morgan Grenfell and Royal Life index funds are based on tracking the All-Share Index, which has 710 shares. However, their approach will differ. Royal Life, which has put up £300m to help the fund start investing, is using Paribas Asset Management (one of the experts in "passive investing") to buy all 710 shares in the index in proportion to their individual weighting. In this way, it will try to achieve an exact replication of the index.

By contrast, Morgan Grenfell is planning to invest in only 350 of the shares in the index and will be using a system which, it claims, will enable it to follow the index with a tracking error of only 0.3 to 0.4 per cent. It will buy shares in companies that account for the bulk of index value. The group claims that full replication would involve transaction costs too high for a small or medium sized portfolio.

Costs of the new trust are, in fact, competitive with an initial charge of only 5 per cent and an annual management fee of 0.5 per cent, reflecting the fact that "passive" fund management should be cheaper.

Fraher says that an index fund is the safest way back into the stock market for investors shell-shocked by the crash a year ago. It would provide a return to basics for investors who have long-term faith in equities but are worried about the losses involved in picking the wrong unit trust.

Nevertheless, this still requires the basic belief that equities will, over the longer term, provide a better overall return than other forms of investment.



Banks make time for people

IT MIGHT be only a happy coincidence that pub and banking hours are being extended at the same time but the underlying purpose is the same: to satisfy the market.

The announcement this week by Lloyds that all its 2,380 branches would open for an extra hour daily - to 4.30 - is the most significant move for a couple of decades by clearing banks to make themselves more accessible to the public.

Banks decided in 1968 to shut on Saturdays but to extend their week-day hours, then 10am to 3pm, to 3.30pm to 5.30pm. In retrospect, that was the low point in service. Since then, they have slowly - almost grudgingly - made improvements. In 1982, Bar-

clays led the way to Saturday re-opening, and many banks began to open later at selected branches. However, not all of them offered full counter facilities outside normal hours, and service was patchy.

The reasons for their reluctance to move faster have been rooted partly in labour problems, partly in the bureaucratic nature of banks. The unions claim longer opening hours result in more work although, in practice, most employees work a full day no matter how long the doors are open. The other reason is the time needed by tradition to

balance the books at the end of the day. Again, though, with modern technology there is no reason why banks should not open for the same hours as shops, which also have to top up the day's business before they close.

As so often in the industry, the smaller banks have led the way. In 1985, the Yorkshire extended hours at all branches by 45 minutes, opening from 9.15am to 4pm with full service. TSB branches also are open till 4 pm; and, last year, the Co-op Bank went one better and stayed open until 5pm.

Now that Lloyds, one of the

Big Four, has gone to 4.30pm, there will be pressure on the other major clearers to follow suit - although they may not extend hours at all their branches. Some clearing banks believe this should happen only in areas where there is obvious demand for banking services late in the afternoon, such as busy high streets.

Apart from beating its rivals, Lloyds' move clearly was calculated to match its smaller competitors - particularly the building societies, which open from 9am to 5pm (some of them six days a week) and have a better public

image.

A technical point that arises from longer banking hours is the so-called "cut-off time" by which customers have to conduct their transactions if they are to be included in that day's business. Lloyds emphasised that this would remain at 3.30pm (5pm in the City of London), so longer hours will not mean more time to beat the deadline.

However, even this could improve. The Yorkshire Bank, for example, has a cut-off time of 4 pm. Once the new clearing technology is fully in place, there is no reason why the cut-off should not be put back to 5pm for everyone.

David Lascelles

Clay Hit
mel hit
obstacle

Even if you're not talking telephone numbers ring this one.

021-200 2244

The old stock market service of advising on what shares to buy and sell is now generally only available if you have upwards of £200,000.

The reason for this is that it is an expensive and time-consuming business, and some think only the wealthy client will be able to demand it.

Strange, isn't it? Suddenly the brokers who were only too happy to look after your money pre-big bang are now putting up the shutters.

Unless you've got £200,000 or more to invest, they simply don't want to know.

Apart, that is, from Albert E. Sharp. The independent stockbrokers. We operate a different commission structure to most London brokers, so we'll quite happily provide free valuations and all the other old, established services to clients with portfolios of £25,000 or more, as we have for the last sixty years. But our location in Birmingham, with a London office, means our overheads are lower than most.

For a personal, high quality, professional service, don't talk telephone numbers, just ring one.

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ALBERT E. SHARP & CO.
Your Money Matters.

What everyone with over £5,000 to invest should know about Statistically Average Luck.

You may think of Premium Bonds as little more than a gigantic raffle.

Nevertheless, over 380,000 people have invested £1,000 or more, 58,000 have invested over £5,000 and 21,000 have invested the maximum £10,000.

Do they have more money than sense? Or do they know something you don't? Let's look at the arithmetic.

Underlying the prize fund is a rate of interest which is currently 6.5% per annum. This creates a prize fund of over £11 million a month, every penny of which is tax-free.

This in turn produces 185,000 prizes a month in the £50 to £5,000 range, weekly jackpot prizes of £25,000, £50,000 and £100,000 and last (but certainly not least), a monthly jackpot of £250,000.

Given statistically average luck someone holding £1,000 worth of bonds may expect to win a prize every year. Someone holding £5,000 worth could expect five prizes a year and someone holding the maximum of £10,000 worth, ten prizes a year.

Of course, chance seldom confers a statistical average on individuals, so most people will win either less often or more often than that.

It's even possible for someone with the maximum holding to win nothing in a year. But the odds against this happening are an impressive 55,000 to 1.

But what makes Premium Bonds such an attractive alternative to other risk-free investments is their tax-efficiency: whether you win the minimum £50 or the maximum £250,000, every penny is tax-free.

One more number: if you ring 0800 100 100 (free) any time of day, we'll be happy to send you more information.

Good luck. Or rather, good statistically average luck.

PREMIUM BONDS

Available from post offices and banks

NATIONAL SAVINGS

FINANCE & THE FAMILY

New wave to roll in

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

Table with columns: Quoted rate %, Compounded return for long-term at 25%, 40%, Frequency of payment, Tax (see notes), Amount invested £, Withdrawal (days). Rows include CLEARING BANK, BUILDING SOCIETY, NATIONAL SAVINGS, MONEY MARKET ACCOUNT, UK GOVERNMENT STOCKS.

THE NEW WAVE of 1980s property companies, development-rich and feted until last October's stock market crash...

LET made its name with imaginative developments. It is currently involved in the Spitalfields fruit and vegetable market site to the east of the City of London...

Its debt effectively on fixed interest rates already. Chase Manhattan's property team, Alan Carter, Gareth Evans and Alan Gunn, also expects LET to produce half-time profits up from £15.7m to £22m and double its interim dividend to 1.5p a share...

COMPANY NEWS SUMMARY TAKE-OVER BIDS AND MERGERS

Table with columns: Company bid for, Value of bid per share, Market price, Price before bid, Value of bid £m, Bidder. Lists various companies like AGS Research, Catalyst Const., Cons.Gold Fields, etc.

RESULTS DUE

Table with columns: Company, Announcement date, Dividend (£) Last year, Dividend (£) This year. Lists companies like Abco, AM Healthcare, Alwoods, etc.

COMPANY NEWS SUMMARY TAKE-OVER BIDS AND MERGERS

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PRELIMINARY RESULTS

Table with columns: Company, Year, Pre-tax profit (£000), Dividend per share (£). Lists companies like All Electronics, Amrad, Barry Weir, etc.

INTERIM STATEMENTS

Table with columns: Company, Half-year, Pre-tax profit (£000), Interim dividend per share (£). Lists companies like Abbey Inv. Trust, Allied Insurance, Ambrak, etc.

Halifax's pain killer

THE BIGGEST mortgage lender, Halifax, this week joined the many groups trying to take some of the pain out of higher interest rates. It announced that it was putting £150m aside for a special offer of a mortgage with an interest rate of 11.5 per cent fixed for two years.



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FINANCE & THE FAMILY

David Barchard on a building society in turmoil

Abbey rebels fight on

TEMPERS are rising in the battle between the Abbey National Building Society's board and members opposed in its plans to turn the society into a bank. This week's round saw the board delivering a knock-out blow to its opponents. Or did it? If not, the board could have an uncomfortable amount of eggs on its face.

The board's show of force came on Wednesday when it informed AMAF, the association of rebel members fighting the society's stock exchange float, that their demand for an extraordinary general meeting to discuss the issue had been turned down.

Sir Campbell Adamson, Abbey National's chairman,

says the board's refusal was based strictly and solely on legal considerations after four draft resolutions seeking an EGM were scrutinised by two teams of lawyers and Queen's counsel. All the resolutions - presented by 110 members of the society along with a deposit of £5,250, since returned - were ruled improper grounds for holding the meeting.

Yesterday, AMAF's leaders met Sir Campbell. They were told that although the formalities had been observed, Abbey's lawyers took the view that as none of the resolutions would bind the board legally if approved, the EGM could not be held.

So, Abbey National now sails

on towards incorporation after a general meeting to be called by the board in its own good time next year. Or does it? Sir Campbell's coup (as it is being viewed by AMAF) has been followed by protests to the Building Societies Commission, the body which regulates the industry and the Building Societies Ombudsman.

Abbey National's board feels it has a watertight legal case and, since the deadline for calling extraordinary meetings under the society's rules this year has now passed, the matter appears to be settled - unless the board's verdict is overturned from above.

AMAF continues to feel that Abbey National is not putting the arguments against incorporation and that debate within the society is being stifled. The debate is crucial to incorporation, which members will have to approve at a general meeting by a majority of 75 per cent, with at least 20 per cent of the society's 5m voting members taking part in the vote.

Alec Leaver, chairman of AMAF, said this week: "We had our (resolutions) studied by a lawyer so it was a surprise to have (them) rejected on legal grounds. If you can't hold a meeting on this subject, what can you hold it on?"



Sir Campbell Adamson, Abbey National's chairman

Clay Harris reports on Minorco's battle to take over Gold Fields

A time to watch and wait

IT IS A defence document which in a take-over battle to advise that "shareholders should take no action." But investors in Consolidated Gold Fields might find that advice worth heeding, at least for now.

The London-based mining finance house is facing a £2.9bn takeover bid by Minorco, the South African-controlled investment company. As the bidder published its offer document this week, its share-and-cash terms were worth about £12.82, against Gold Fields' market price of £12.58 on Thursday.

Shareholders have missed a good chance to take short-term profits, as the Gold Fields price peaked at £14 on September 21 when the long-awaited bid was announced. Since then, doubts about the chances of success have deflated speculative pressure, but investors still face a number of questions.

Is Minorco's bid high enough to win? No, barring a collapse in world stock markets and gold prices. There is little enthusiasm for the Minorco shares which account for a quarter of the bid's value, despite listings in London and New York as well as in Minorco's Luxembourg domicile and Johannesburg spiritual home. The price is probably not

high enough, in any case. With estimates of Gold Fields' net asset value ranging up to £19 - watch for the company's own figures in its defence document - most analysts believe an all-cash offer of at least £15 or £16 will be needed to give Minorco a good shot at success. Is any rival bidder likely to emerge?

The odds are against it. With nearly 30 per cent of the shares, Minorco has close to a veto on any rival offers. It might consider a high competing bid if its own quest was blocked but, in that case, Gold Fields would not be looking for a "white knight" anyway.

What if the bid is referred to the Monopolies and Mergers Commission? Most analysts think this possibility is reflected adequately in the price. The shares no doubt would dip on news of a referral, but much of the speculative premium would survive. Phillips & Drew, for example, sees the price stabilising at about £12 if the bid is referred.

After this week's Monopolies report requiring the Kuwait Investment Office to reduce its stake in British Petroleum from 21.7 per cent to 9.9 per cent within 12 months, the "foreign policy" of UK competition authorities is in a muddle. Even if the bid was blocked,



George Bush...Gold Fields will try to put him on the spot

under the Defence Products Act to block the bid on US national security grounds, the first such challenge after recent amendments to the Act.

Reagan has to decide before the election whether to order an investigation. Watch for Gold Fields' efforts to put the two presidential candidates - especially George Bush - on the spot about the prospect of strategic minerals reserves (in particular, the only US supplies of the titanium base material, rutile) coming under South African control.

If the Act is invoked, a report would have to be made public by early January, but it could take years for the issue to wind its way through US courts.

Should I sell shares? Or buy them? At times within the next few months, Gold Fields' shares will probably trade both below and above present levels, creating opportunities for the more daring investor to move in and out.

More cautious souls who have ridden the shares up in the past few months probably should have taken profits already, but there is still upward potential. On the other hand, it is probably not the time to jump in now, taking into account the political impermanence.

BES investors strike it lucky

ANYONE STILL wading through the flood of Business Expansion Scheme prospectuses issued last month should persevere. Following the postal strike, their investment decisions need not be made until October 27 in order to carry back some of the investment to the 1987/88 tax year.

As in September, the bulk of new issues offered this month are devoted to residential property under the new assured-tenancy rules. Although it is still too early to judge the popularity of these issues, the experience of sponsors so far appears rather mixed. On balance, prospectus issues - which allow investors to choose where they invest - are finding matters easier than some of the managed funds.

Among the most popular issues is Link-Invest, a scheme based on gearing and multiple tax breaks, which has already raised £10.6m and is set to bring out a second series of companies next week. Johnson Fry's scheme also reports a strong response and is on target to raise £25m by the end of the month.

Also well received was First Roman Property Trust, which had arranged to buy property at a discount. The sponsor, Capital Ventures (0242-584-380), is now opening the Second Roman Property Trust, which again has been set up to exploit the "hot" housing market. It has agreed an option to buy, at a discount, a development in Chester built by Roman Homes, another BES company.

Another company which has earmarked its proposed acquisition is Thorpe Park Assured Properties, which plans to raise up to £2.95m to buy blocks of purpose-built flats in Norwich. It is pinning its appeal on the strength of the local economy, the fast train link to London, and a high demand for rented property resulting from the university and colleges. The issue is sponsored by MacIntyre Hudson (Financial Services) (0284-88781).

The high-speed train link also is cited as a key attraction by East of England Residential Property which will invest in Peterborough and Granttham, now just an hour from King's Cross. The boom in demand from London commuters, together with strong economic growth, has led to a steep rise in property prices over the past two years and that, the company reckons, should create demand for more rented resi-

dential property. It is hoping to raise £5m and will remain open until October 21. The sponsor is Allied Provincial Stockbrokers (0783-555-131).

Southern Assured Homes, (0222-792287) likewise claims increasing number of London commuters as its rationale. It proposes to invest in Bromley, Beckenham, Tunbridge Wells and East Greenwich as areas of particularly strong demand. Its offer, which will raise up to £5m, will be open until November 5.

Likewise, South Country Homes plans to invest in properties within commuting distance of London. This issue is being sponsored by Hambros Bank (01-695-0380) and is expected to close on November 15.

Further north, Nomad Properties offers an opportunity to invest in Northumberland and Tyne and Wear. This company will use a registered housing association, set up to provide accommodation for single working people, to manage the properties.

The attraction of the scheme is painted in terms of the rejuvenation of the area, together with strong demand for rental property. The issue is sponsored by Wise Speke (021-261-1266).

By contrast with the majority of schemes, Assured Property Management, which is being sponsored by a subsidiary of Lloyds Bank, is property managers. It is not going to specialise in any particular area. The company is sponsored by Centreway Development Capital (021-643-9941).

Away from the assured tenancy scene, Capital Ventures is sponsoring the 4th CAVE General Business Expansion Scheme Fund, which will invest in at least four trading companies.

Also on offer are shares in Patricia Wigan, a children's clothes business. The company designs and manufactures a range of pretty, traditional clothes for under-12s which it sells from shops in Knightsbridge and Fulham, west London. As well as providing working capital, funds from the issue (sponsored by Lawsonstone: 01-828-8688) will be used to set up new retail outlets.

As an extra incentive, the company is offering a voucher for £250-worth of clothes for investors who subscribe £5,000 or more. Be warned, though. Taking up this perk could lead to a reduction in BES relief to the value of the voucher.

Vanessa Houlder

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Let's start at the beginning. Do you understand what we mean by 'small companies?' YES WELL NOT EXACTLY A small company, in stock market terms, is one with a capitalisation of up to about £120 million. That may not sound small to you, but you'd be unlikely to have heard of many companies of that sort of size. Small companies can often be a better investment than big ones. Do you understand why that should be? YES NO Look at it like this. A big company, ICI let's say, is big now and will be big in three years time. But it's not likely to double its size in that time. A carefully selected 'small' company, on the other hand, may well double its size in three years. Consequently it would offer an excellent return to people who invested in it now. Now, do you understand exactly how unit trusts work? YES NO OK. A unit trust is a 'basketful' of shares in each of a number of companies, usually linked by some field or theme which makes them potentially attractive as an investment. By holding shares in a range of these companies, the risk to the investor of something going wrong is reduced and the possibility of it going right is increased. The value of a unit trust can, of course, still go down as well as up. So you should be able to see that a unit trust made up of shares in carefully selected small companies might be something worth considering. Now, do you know anything about Scottish Amicable? YES NOT REALLY Scottish Amicable is one of Britain's oldest and largest life assurance companies and investment houses. It has an outstanding investment record and is one of Britain's largest investors in smaller companies. Well you may still not be aware that Scottish Amicable is one of Britain's largest investors in smaller companies. It won't surprise you too much, then, to learn that Scottish Amicable are about to launch a unit trust which concentrates on shares in smaller companies which have the potential to grow. This unit trust will be available at a fixed price from 26 October 1988 to 15 November 1988. The minimum investment is £1,000. Investors who subscribe to it during that period will receive a bonus of 4% on investments up to £5,000. And of 1% on investments greater than this. In addition this unit trust will attract a unique loyalty bonus of 5% of the initial investment after five years, rising to 10% after ten years. If you'd like to take this opportunity, ring 01-200 0200 for a fund brochure or contact an Independent Financial Adviser. SCOTTISH AMICABLE UK SMALLER COMPANIES TRUST It's time to take the initiative. THESE TRUSTS ARE MANAGED BY SCOTTISH AMICABLE UNIT TRUST MANAGERS LIMITED. SCOTTISH AMICABLE UNIT TRUST MANAGERS LIMITED IS A MEMBER OF LAUTRO, IMAO AND THE IFA.

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FINANCE & THE FAMILY

THE MOVE by Henry Cooke Lumsden (HCL) to merge with Edington, the Manchester-based merchant bank, does not mean that the group is forsaking its traditional role as one of the country's leading stockbrokers for private investors.

In an age where share dealing is based increasingly on large-scale institutional business, HCL is going the other way deliberately, nurturing its grass-roots business among the affluent middle classes in the north-west, the south and the south-east.

True, it is diversifying into merchant banking and corporate finance. But it is aiming here at large private companies, small public companies and wealthy individuals - not corporate giants.

In marketing terms, HCL is a niche-player in a very big national niche. The "national" tag is important because it is a mistake to think of the firm as a Manchester stockbroker, even though the Stock Exchange acknowledges it as the biggest outside London.

Manchester is where the headquarters are - and where the original Henry Cooke was based - but the main dealing room is in London, founded on Lumsden's, a London broker which Henry Cooke took over in 1972.

This made HCL what David Hunter, its chairman, calls "a very strong regional broker with a big London office." In fact, London employs about a quarter of a total staff of more than 200. The virtues of the arrangement include being able to function as a London

Ian Hamilton Fazey begins a series by FT regional correspondents on the status of local brokers

Grass-roots gain for the small investor

broker while having a great deal of overheads in Manchester, where office costs can be as low as 10 per cent of those in the capital.

New technology and the Big Bang have helped, as well. Electronic markets mean that decision-makers and dealers can be located anywhere. The result has been that HCL has enough accounts to give an economy of scale, but a low-enough cost base to look after individuals. Not surprisingly, many of its individual customers are in the south.

They include accounts rejected by big London brokers as too small to be worthwhile - the sort of people who want research and back-up from their broker but who see the emerging networks of small retail stockbrokers as impersonal. "Small" is, of course, quite large these days: HCL's minimum sum for individual portfolio management is £30,000, but many people have that sort of money available.

The "too small to bother with" argument does not apply only to individuals. In the past



Provincial brokers

year, HCL has picked up at least six largish trusts discarded by London brokers as not worth the candle; and it expects to get more, as London costs force ever more institutions further towards the high price-low volume end of the marketing spectrum. It is also now taking on nearly 2,000 clients of Phillips & Drew, which has been sold by its Swiss parent, UBS, to get out of retail stockbroking. Most have

switched already. What also makes HCL interesting, however, is the way it does its own corporate planning. David Adams, the managing director, jokes that HCL could hardly go round analysing and criticising public companies for the way they do their planning if it did not try to do things right itself.

The structure of the business illustrates the point. Many regional brokers carried on as partnerships in the midst of a changing regulatory framework and a realignment of the industry associated with the Big Bang. Suddenly, they found themselves vulnerable, under-capitalised, and grateful for shelter under the umbrellas held out to them by expanding financial services giants.

HCL saw the writing on the wall as early as 1972, when it changed from being a partnership to an unlimited company. The joint and several liabilities held by the directors may not have been much different in practice from partnership, but it started to change the corporate culture.

In 1988, HCL became a plc to gain more elbow room for its widening activities. These included setting up Edington with Angus Scrimgeour, each taking a 20 per cent stake in the other. Edington is going after the corporate finance market among emergent companies along the M62 corridor in Greater Manchester and West Yorkshire, where HCL has considerable local knowledge.

Small investors are going to be catered for through their building societies. HCL has already had a trial run here with the Marsden Society, offering a share-dealing service for its members, and is now finalising a much bigger deal with one of the larger societies.

At the same time, Adams plans a third unit trust under the Arkwright banner. The first two - one for growth and one for income - are based loosely on the companies which HCL follows (it is corporate stockbroker to more than 40 public companies and researches another 200) although the funds invest much more widely. The new one will involve Bessemer, which also will be an important shareholder in the new group, and will concentrate on international companies.

Given all this, can HCL still be regarded as a stockbroker? It is one, of course, but in its new guise it also will be a merchant bank, corporate financier, international unit trust operator and fund manager. Perhaps most important, however, it should be viewed as an entrepreneur in its own right.

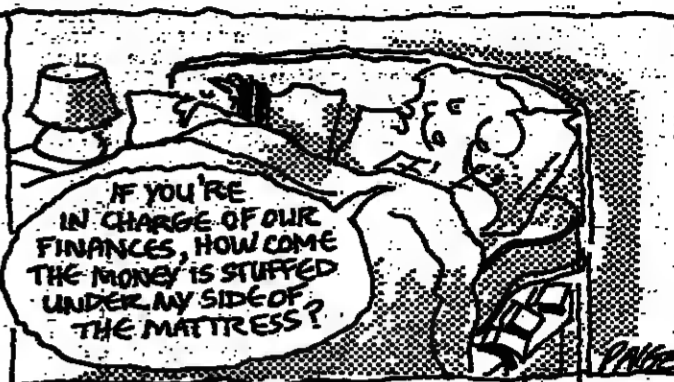
Melanie Cable-Alexander on a guide for women Short-changed again

THERE WAS a time when women were not allowed to have bank accounts, Sir Kit McMahon, chairman of the Midland Bank, rather abashedly confessed recently. Indeed, the bank had its first married female customer only in 1888, after the 1882 Married Women's Property Act was passed.

However, things have changed dramatically since then. Women now account for half of the bank's customers and in an effort to recognise this Midland has sponsored the publication of a book *Women and Money*, by Marie Jennings.

The book points out that women are taking greater financial control, both at home and in business - for example, they set up 43 per cent of new small businesses. Women make up 52 per cent of the population and since the introduction of the Equal Pay Act their earnings have shown a sharp increase. At the same time, the higher divorce rate has forced many women into a position of sudden financial responsibility.

Whether they like it or not, says Marie Jennings, women are having to learn the art of money management. She believes that it is difficult for a woman, caught up in a maze of financial services, to find a good source of sound



advice on managing money. Her aim, therefore, is to provide women - whatever their age or situation - with a clear, step-by-step guide to the "how to's" of money management, from organising the household budget, to buying a house, making a will or investing in the stock market.

She says that by spending 20 to 30 hours per year monitoring your finance you can increase your income by 10 per cent. However, you cannot achieve this until you know your money profile. Establishing your profile means working out your spending type and financial commitments - for instance a young woman in her first job will have different monetary requirements from her mother, who will probably be dwelling on pension intricacies.

Women, the book says, fall into four categories when dealing with money. To illustrate the different categories Jennings uses as examples TV and radio soap opera characters:

■ Are you an Ayrl Rolfe from *Howards Way*, capable and interested about financial matters?

■ A Debra Barlow from *Coronation Street*, competent with money but wanting to learn more?

■ Dot Cotton from *Eastenders*, just about coping but not really wanting to?

■ Or are you a Jennifer Aldridge from *The Archers*, casual, inefficient and constantly in debt?

Jennings discusses credit, providing cost comparisons between bank and credit cards; she examines women and the law, analysing the implications of the Financial Services Act, employment legislation and the Married Women's Property Rights Act; and she describes the role of "money machines"

- banks, building societies and the Post Office - listing the services they provide and the complaint procedures available.

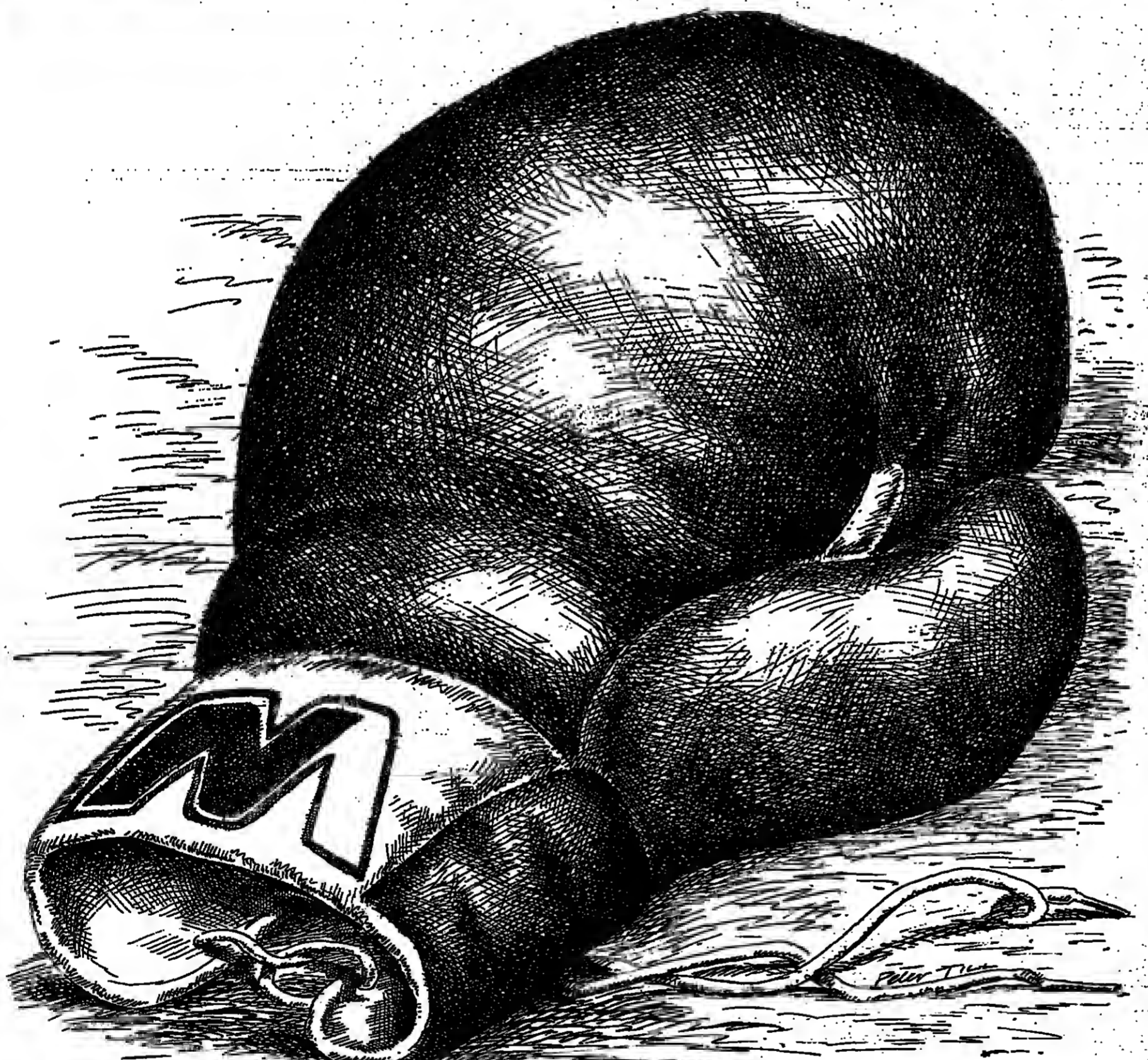
There is a glossary of financial terms and a list of the names and addresses of key organisations effective in business and financial affairs.

All useful information. However, the book is very much aimed at the unsophisticated woman and is written in the patronising, girlish style used in so many popular women's magazines. Not all women are as financially innocent as the book suggests - frugal budgeting has been practised by women for centuries. It is their involvement in the financial markets that is new. Yet the book's examples of budget schemes mostly relate to married women with an income allowance from their husbands - for instance the suggestion that "Flora" can save £100 of her monthly expenditure by being cost-conscious at the supermarket and cutting back on school trips.

Furthermore, Jennings does not acknowledge the female executive and the "Alexis Carringtons" of this world - people wealthy in their own right who might require more complex advice on saving and investing. The maximum salary women can aim for, according to her view, is £25,000, and in her pursuit of simplicity, Jennings insists on answering such basic queries as "What is money?"

It is also fair to say that as a sponsored book, *Women and Money* leans heavily on the Midland Bank for its financial research and information, and cannot be viewed as entirely unbiased in its conclusions.

"The Midland Guide: Women and Money" by Marie Jennings. Penguin, £4.98.



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FINANCIAL TIMES
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FINANCE & THE FAMILY

Christine Stopp finds that new European funds are now the flavour of the month

Unit trusts look to the 1992 effect

THE UNIT trust industry looks set for a buoyant autumn, at least as far as fund launches are concerned. "Flavour of the month" marketing is back, with European growth trusts being promoted as one of the star attractions for those bold enough to step into the equity markets.

Looked at quite cynically, the marketing men could not resist exploiting the potential investment advantages of 1992 - not after the Government had done the groundwork on their behalf with an expensive advertising campaign to make everyone take notice of this momentous forthcoming event. Three 1992 unit trusts have appeared so far, and there are more to come.

How are 1992 trusts set apart from existing European trusts? One distinguishing feature might be the range of countries in which the fund invests. Europe, the British investor, has usually meant "them, not us." Few dreamed hitherto of including the UK market in a European fund portfolio.

The 1992 trusts make Europe of us all. In fact, some of them may have a substantial UK content, on the grounds that the UK will be a major

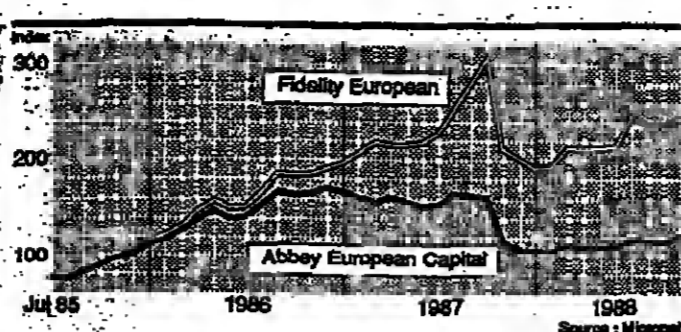
beneficiary of the harmonisation of markets. Although 1992 might indicate a concentration on the Community countries, the definition of Continental Europe also varies, with Scandinavian countries and Switzerland being included in some funds. There is likely to be the same confusion arising in the European sector as already exists among Far East trusts, where you never know exactly which countries and markets they are investing in.

Of the three trusts launched to date, Abbey 1992 Enterprise Trust includes the UK along with the rest of the EC, plus Switzerland. Fund manager Trevor Forbes says there will be an initial investment of up to 24 per cent in the UK.

By contrast, Tyndall 1992 Eurogrowth invests in EC countries plus Norway, Sweden and Switzerland in its initial suggested portfolio, and only 10 per cent in the UK.

Fidelity 1992 European Opportunities also includes non-EC countries as well as Britain. It has, however, not yet agreed a theoretical starting percentage share in the UK market.

Three main planks to the European investment argument are emerging from the



1992 trust marketing gambits. First, it is claimed that Europe as an economic bloc has lagged behind the rest of the world. Equity markets in several European countries are also underdeveloped, and the potential for growth - if they take off - could be enormous.

The second Euro-argument is based on the general beneficial effects arising from the actual harmonisation process. Prime Minister Thatcher's recent aggressive stance must have elicited a groan from those marketing Euro-trusts, but they insist to point out that a third of the required legislation is already in place. The harmonisation machinery will eventually remove differential rates of VAT and excise duty, abolish customs formal-

ties and bring unity to the present plethora of different rules on labelling, safety standards and technical requirements.

Tyndall estimates that the cost of such barriers now represents about 10 per cent of turnover in the financial services and air transport industries, and as much as 20 per cent in telecommunications.

A third line of reasoning is the bid situations approach. Investors will be only too aware of the bid activity inspired by the approaching harmonisation. The 1992 trusts will build their investment strategy, at least in part, on looking for special situations in this category.

Abbey and Fidelity, both have existing European trusts. In each case, their new 1992 funds include investment in the UK market. Aside from all the 1992 arguments, this provides some protection against poor performance in Continental European markets, and could make the trusts less risky than their counterparts investing exclusively across the Channel.

Fidelity's Mary Blair says that the new trusts are for believers in the 1992 effect, and the existing trust for those "who just think Spain or Germany are undervalued."

Is this really the most timely moment to put money on the

impending Euroboom, or are the marketing men getting ahead of themselves? Jonathan Bradley, Tyndall managing director, takes a fairly cautious view: "Markets everywhere will find it hard to make headway for a few months, but Europe offers good value at the moment. There are some inexpensive shares about."

Bradley cites the growing international interest in Europe as a reason to get in on the ground floor. He claims that Europe is under-represented in international institutional portfolios, and European countries have domestic reasons for turning more to their own stock markets.

In Germany, says Abbey's Trevor Forbes, 100 workers at present pay for 80 pensioners. In 15 years' time, the figures will be reversed and funded pension schemes will be a necessity, with an implied dramatic increase in demand for shares.

There are undoubtedly attractive reasons for investing in Europe long term, although even the 1992 Euro-managers agree there are many hurdles to overcome before harmonisation is effective. If the financial services sector is anything to go by, EC member states unwilling to allow an inflow of foreign competition will be looking at ways of making life difficult for newcomers.

Those not at present involved in a Euro-lunch see it all as a marketing gimmick. Christopher Fawcett, managing director of European specialist manager Dumenil, sums it up: "If the 1992 tag is just a professional way of describing a European trust, it is good marketing and nothing else. If the object is a special situations fund based on 1992 or takeover prospects, it would be better served by a closed-end fund."

Watchdog steps down

JAMES HASWELL, Britain's first insurance ombudsman, is to retire in January and will be replaced by Dr Julian Farrand, at present a Law Commissioner. The changeover, announced this week, marks the end of an era in the industry.

The establishment of the Insurance Ombudsman Bureau seven years ago represented an act of faith by three major insurance groups - General Accident, Guardian Royal Exchange and Royal Insurance - after attempts failed to establish an industry-based complaints and arbitration system. Now, more than 250 insurance operations are members, prepared to accept the ombudsman's judgment, and the bureau has become the accepted channel for complaints by the public.

The widespread acceptance by the industry of an outside arbitrator was due largely to the efforts of Haswell, who managed to tread a delicate line between conflicting interests.

Initially, the bureau was regarded with suspicion. Because it is funded by insurance companies, consumers thought the ombudsman could be their "stooge." Companies which were not members claimed that the service was not needed because the number of complaints they received were few and were handled



Dr Julian Farrand taking over as insurance ombudsman

internally. They also feared that since the ombudsman's decisions are binding on members, he would court popularity by deciding against the companies.

In the event, Haswell has appeared to be completely impartial in his decisions. His annual reports have contained criticism of companies, mainly over poor communications with policyholders. However, consumers also have been chided, particularly for not understanding their insurance contracts or for trying to pressure companies to pay out on dubious claims.

As a result, the operation of the Insurance Ombudsman Bureau has become the blueprint from which other ombudsman organisations

have been designed.

Farrand takes over an established organisation that is well-run and recognised at least by the consumer bodies and the Office of Fair Trading. However, he does face some important tasks. For one thing, the number of cases on which the ombudsman has to rule is growing rapidly, putting a heavy workload on the bureau and its chief executive. Second, the life assurance side of the bureau has to be integrated with the complaints framework of the new financial services regulations.

Farrand is determined to be his own man while still maintaining the ombudsman's independent role. He is no stranger to arbitration. Apart from being a Law Commissioner, he is a chairman on both the London and Greater Manchester rent assessment panels and vice-president of the latter.

As chairman of the Government's conveyancing committee during 1984-85, he was responsible for two reports, the first of which led directly to the establishment of the Council for Licensed Conveyancers. He also is chairman of the Social Security Appeal Tribunals.

With this record, handling insurance complaints should be relative child's play for the new ombudsman.

Eric Short

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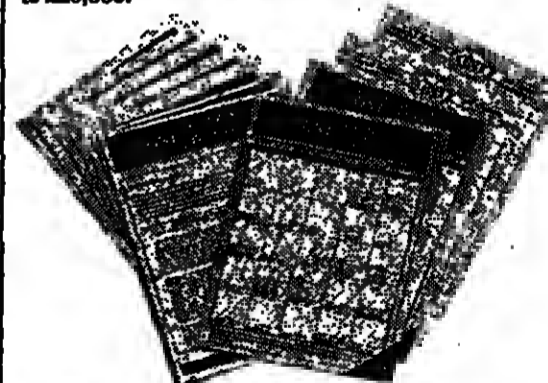
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FINANCE & THE FAMILY

Not safe as houses

I own a property which is an end-terrace of a block of three, all of which have subsided substantially in unison. When I bought the property, I intended to underpin and stabilize any property regardless of the other two. However, the local council (as well as my own structural engineer) has told me that, if I did this, I could be liable for any damage caused to my neighbour's house as it continued to subside and pull away from mine. Obviously, all three parties should embark on a joint scheme of renovation, but my neighbour in the middle house cannot afford this; instead, she will (assuming we can agree on price) sell me her property so I can undertake the work myself.

The council owns the other end property but it will not undertake the work because its tenant has exercised his right to buy. However, he has indicated that he would neither participate in a proper scheme nor, on completion, be willing to resell his house to me (even though the council has indicated it would be willing to permit such a sale, waiving the usual three-year rule).

Do I have any legal remedy that would compel either the council or the new owner (if and when completed) to undertake repairs? You might be able to persuade the council's surveyor to serve a dangerous structure notice on the owners of the houses (including the council's housing department as owner of the third house). The purchasing tenant would then have no option but to permit the work to be done, the council itself having the obligation to effect structural repairs under a "right to buy" sale.

A case of trespass

I live in a street of detached houses. My new next-door neighbour put in a planning application for an extension to his house. Despite my strong objections to a number of points about the proposed building, the most important being the proximity of the extension to our common-agreed boundary line, the application was passed.

Although I engaged a solicitor, who has tried vigorously to stop the building taking place (or, alternatively, has

sought modifications to it), my neighbour has erected (with the support of the planning office) a building with an outer wall coming over the boundary, although only by inches. This I could have accepted, but so this will be has added appendages which are left over the boundary (i.e. eaves and gutters). He has also laid a concrete base, 2ft wide by 2ft long, directly on my land.

I have been told that a law protects me from this sort of treatment. If so, could you identify this law?

The grant of planning permission does not authorise the applicant to override private rights. By crossing your boundary line, your neighbour is trespassing on your land and you can require him to remove the offending material (i.e. rebuild his extension on his side of the line). If you wish to do this, you must act promptly to seek an injunction in the county court.

Helping hand

My wife and I would, jointly, like to help a grand-daughter and her fiancé buy a small house. They have a low income and cannot afford a suitable home. Apart from making the down payment, we could help by making an interest-free loan for a period of up to three years (or buy a house and let them live in it rent-free - but this would leave any capital gain with us).

How soon before marriage may the exempt gift be made? If we make an interest-free loan, will we be taxed on the national interest? Would a formal mortgage deed be necessary or a memorandum of deposit, or could this be treated as a simple loan with the deeds of the house being held by us as security?

The gift on marriage must be conditional on the marriage taking place. No time limit is prescribed so it would be unwise to make the gift more than, say, a month before the appointed wedding day. An interest-free loan would be unwise as this would be treated as a gift for inheritance tax purposes. The mortgage should be by deed. Presumably, you and your wife each will make payments so as to

use each individual's exemptions. The annual exemption can enable each of you to give £3,000 every year, possibly £8,000 in the first year. Thus, with the marriage gift, you might be able to give 2 x £11,000 in the first year.

No tax on this gift

My 66-year-old wife proposes to give my son £20,000 to help him move on from his starter home. Can she do this or would either party become liable for taxation?

Your wife can make the gift without either party being liable to tax. Each of you can give up to £10,000 without attracting inheritance tax. If you want to preserve as much as possible of that tax-free band to cover later gifts and the passing of property on your death, the more tax-efficient course would be for your wife to give you £10,000 and then for each of you to use the £3,000 annual exemption which will not eat into the £10,000 nil rate band at all.

Moreover, if you have not used the £3,000 exemption last financial year, you can add that on as well. Hence, each of you can give £8,000 by using the annual exemption (this year and last year's) and then each can give a further £4,000, leaving £16,000 unused of each of your nil-rate bands. If you survive the date of the gift of the last £4,000 by seven years, the full amount of the nil-rate band, up to whatever limit is then current, will again be available.

Blocked by neighbour

For the past 30 years, I have owned a house in the country. By the original conveyance, I was granted a right of way over my neighbour's land. Every five years, I drive over this right of way. Recently, I noticed that the present owner of the land has planted some ornamental bushes across the right of way. On inquiring, he said he had bought the land five years ago without any notice of my right of way. Am I deemed to have lost it? No, you will not be deemed

Q&A BRIEFCASE

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to have lost your right of way, nor will you have lost it, in fact, if it is a legal easement (as it seems to be). You will, however, lose it unless you act promptly to preserve it, if necessary applying to the court for an injunction to keep it unobstructed. The fact (if it is indeed the case) that the present servient owner bought without notice will not operate to extinguish the legal easement.

Too much traffic

I live in one of three adjacent private roads that take traffic to and from the beach directly from the only coast road. These roads are breaking up and becoming dangerous to pedestrians as there are no footpaths. The cost to householders of re-surfacing would be prohibitive but something must be done to take away much of the traffic responsible for the damage.

I understand that all residents' deeds state that they own up to the middle of the road, including approximately 10 ft of grass verge. These roads are covered by either a single or double yellow line. There are no surface water drains, kerbs, footpaths or street lights.

Can the residents of these roads prevent traffic, other than that of residents and services, from using them?

Provided it is clear that the owners of the houses which front onto the roads do in fact (between them) own the roads, they can indeed prevent others from using them. However, this could be difficult to achieve in practice unless you can construct a gate or bar across the roads with provision for only authorised persons to unlock it. Alternatively, you could press the council to adopt the roads but, at a time of financial stringency, this might be difficult to achieve.

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FINANCIAL TIMES

OCTOBER 19, ONE YEAR LATER: IS IT SAFE YET?

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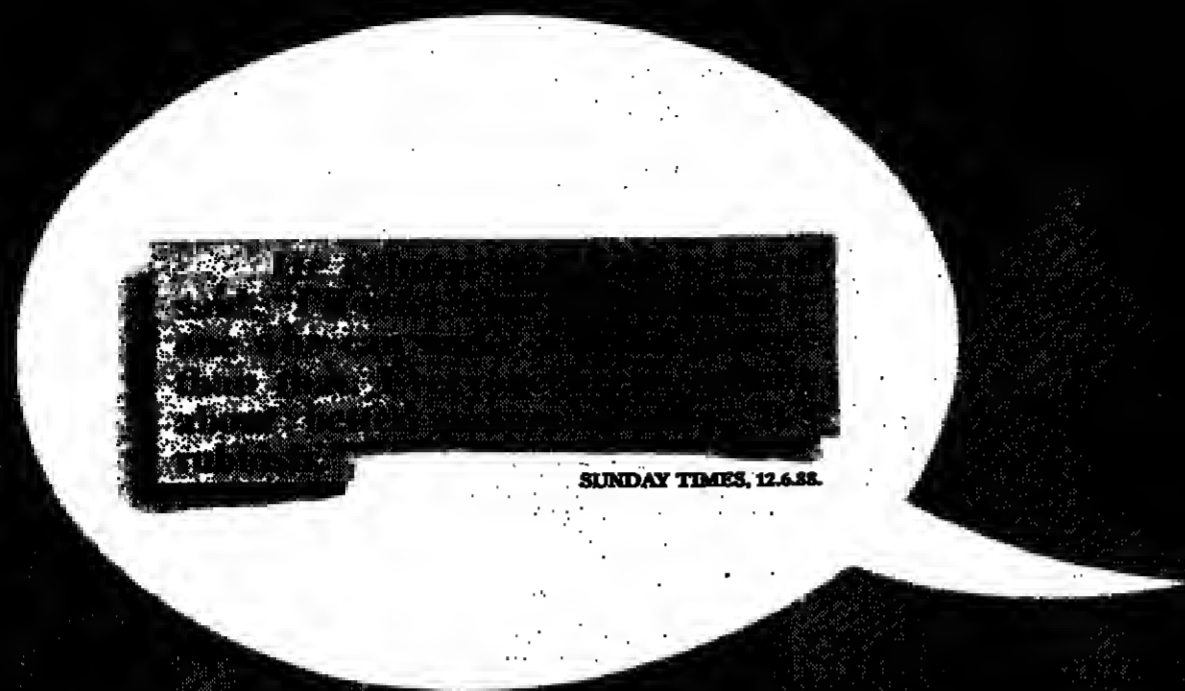
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Dear Alan, Looks like your PAL just cost you a million.

As you may know, PAL is the existing television transmission system in Britain.

As you may deduce from Mr Sugar's pronouncement, PAL has been adopted by Rupert Murdoch's Sky Television for its direct satellite broadcasts scheduled to start early next year.

When it was invented in the sixties, PAL unquestionably offered the best picture quality of any television system in the world.

But twenty years is an awfully long time in this field. A fact brought home to us the first time we saw the D-MAC system which, incidentally, was developed here in Britain.

In a side-by-side comparison, the superiority of the picture quality of D-MAC is demonstrable.

That's not just our view, but that of the Independent Broadcasting Authority and 95% of the people who, at our invitation, recently sat through the first live D-MAC satellite transmission.

Historic moment though it was, this first live



transmission was watched on perfectly ordinary television sets fitted, as many of the sets now on sale are, with a Euroconnector.

(Indeed, a television set not fitted with a Euroconnector, but connected to the set-top box required to receive all satellite transmissions, can receive D-MAC transmissions. But, sadly, the picture will only be to the existing PAL standard.)

D-MAC doesn't just offer the possibility of superior picture quality from next September, either. From day one, it also offers digital stereo sound, parental control and over-the-air messaging. And, in the not too distant future, wide-screen, cinema-quality pictures.

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Houses

& GARDENING

Into the year of the tortoise

John Brennan explores the bear facts about the "collapse" of the property market

THE TORTOISE who had his head buried in the sand... the rate rises in the price... Along with this, the construction of higher quality mortgages and over-valued property has spawned an array of financial responses from the bear-spectators... their dramatic comments in recent weeks have suggested the housing market is ready to collapse. So, are we in a post-bomb phase of housing in which the bear market is grinding over-borrowed home-owners... No, we are not. And neither the UK housing market really does need to have a quite different attitude to respect its present position... fit the bill far better than a bear. What we have now is the beginning of a classical tortoise market... house-owners are pulling back into their shells while those who are out and about are moving cautiously... In the meantime, the columnist reported a recent consensus...

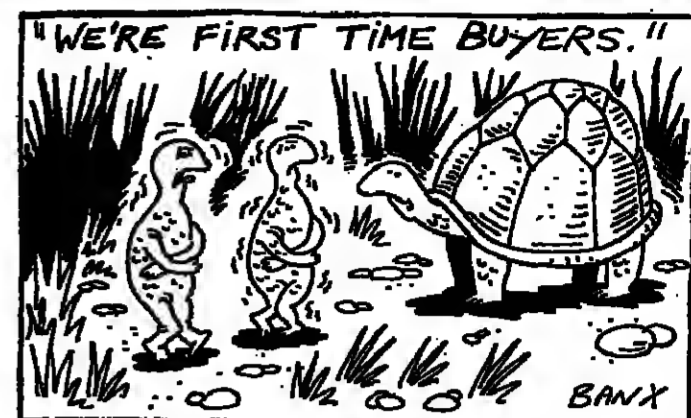
of agents and building society specialists who believed that prices in the UK as a whole had peaked. At the time, that seemed to call for another new analogy in the form of the "antelope effect." Briefly, this view meant that London prices were at or near their maximum level (given the price-to-earnings and loan repayment cost levels) away from this hollow centre, provincial prices still had some catching-up to do. Beyond that, the simple pressures of supply and demand suggested that we would be moving onto a price plateau for a time, rather than looking down into a bear pit.

inflation rate and the trade balances might have forced up interest rates faster and higher than most people would have forecast at that time. Otherwise, precious little seems to have changed. A tortoise market hits sales volume rather than prices because people who do not need to move simply stay put. This is bad news for the estate agents, who cannot ask their prospective buyers and sellers to form queues any more. It also means a fair share of sales particulars with asking prices reduced from the "wouldn't it be nice if someone was willing to pay that?" level to something nearer yesterday's comparable sale price for an area, as well as the occasional distress sale.

The new flats market in London is one area where these tortoise-like signs could be misinterpreted as evidence that gangs of wild bears are about to roam the streets. There are, after all, a large number of new developments hitting the sales market just as the buyers have stopped queuing. However, Rosalind Adams-Cairns of Savills repeats (and amplifies) the point that even the seemingly hyperactive level of residential development in the capital in recent years does not have more than a marginal impact on the housing stock as a whole. Savills calculates that, over the next seven years, some 10,000 new houses, mainly flats, will be marketed in the

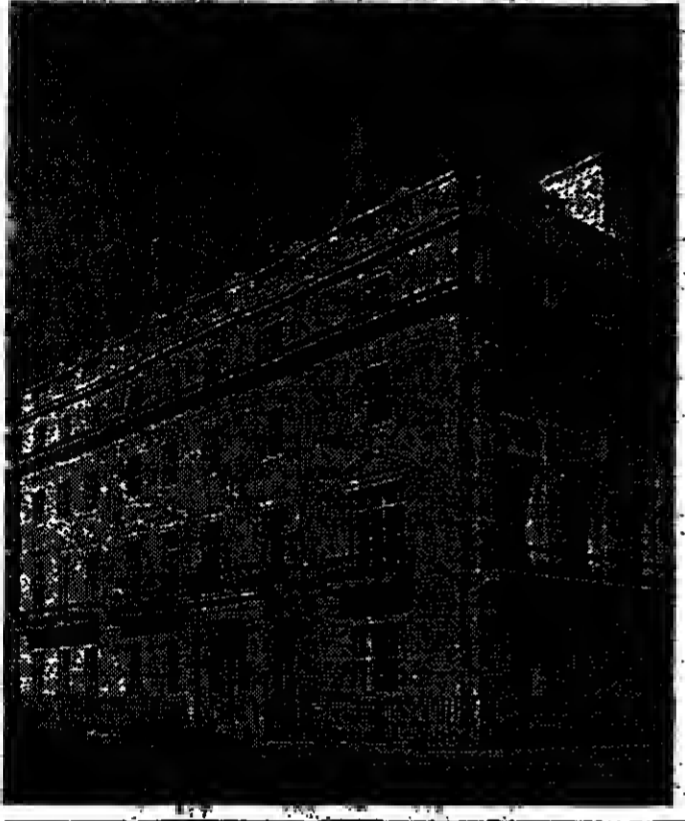
major schemes either started or planned on sites in central London. Taking a liberal view of the number of additional houses created in smaller schemes, London could have, say, 20,000 extra modern properties available to be sold between now and 1995 on top of the further 20,000 new homes expected to be completed in Docklands by that time. That is a grand total of 40,000 properties. Because these mainly are central area properties, and as they also are mainly at the mid-to-upper end of the price range because of their high site and construction costs, they might be taken to represent a dangerous over-supply of properties. However, that does not take

into account the other, demand side of the equation. As Adams-Cairns notes, the combined pressures of a slowly-rising population and a fast-rising number of individual households, plus the predicted continuing switch from rented to owner-occupied properties, suggests there is "an additional requirement of 450,000 homes" in the private sector in London between now and 1997. Strip from that figure the number of properties that are simply switched from rentals to the owner-occupied; allow some reduction in the future pace of increase in the rate of direct ownership as more affordable rental property is made available through



BES-driven schemes and co-partnership developments - and that demand-to-supply ratio of more than 10:1 is reduced substantially. Even so, there is still no realistic risk of an over-supply of homes, even in this most active of development markets. These figures give no clue as to people's ability to raise the money to buy a home and, therefore, they give no direct guide to prospective

prices. But, they do suggest a continuing rarity value. That would not mean much in any less-essential commodity market. After all, rarity value does not prevent the precious metals markets from recording sensational price peaks and troughs as investment fashions change. In that sense, though, housing is different. When applied to people's homes, rarity value keeps the bears at bay.



WHAT would you do if your interior decorator made a hash of it? When it happened in one of the flats being sold for Tony Clegg's Mountleigh Group at 2 Hyde Park Street in London, the answer was to leave the tears to the designer and send the offending fittings and drapes in a skip-ward direction. Design failure is, probably, an unmythical description of the abortive show flat that occupies the penthouse on the fourth and fifth floors in this rebuilt apartment block. Alastair Graham, of sole agent Aylesford & Co., explains that the Mountleigh team took one look at the 'completed' work and agreed it was not the image to make comfortable anyone being asked to pay £1.25m for a 3,067 sq ft flat looking out across Hyde Park. After the clear-out, the price was cut to £1.1m.

with interior designers holding the key to sales. Mountleigh's draconian reaction is unusual, if not unique. Residential developers used to call in the designers to make their more awkwardly-shaped flats saleable. They would spend a few pounds on curtains and wall coverings, allow the interior décor antiques showrooms to display their wares around the walls, and have the dried flower-droppings brushed up every few days. But, that was yesterday's market. Now, a good show flat has to reach the standard once reserved for the major house reconstructions of Belgravia and Knightsbridge. If it does not, the property risks getting entangled with the competing mass of builder-finish flats that were started when developers could name their price. That was in the runaway bull market of 1985-87.

ties are still selling at the full price when presented properly, although he stresses: "That costs money - as much as £20 a sq ft for the interior decoration alone in the Hyde Park show flats - and it calls for a degree of patience that tests the developers' cash flows. Bayswater Road, it acted as a forward buyer of all 10 flats. It purchased the 99-year Church Commission leases from the development group, Rosehamb, before the reconstruction work was started. Rosehamb completed the flats to a basic carpets-and-bare-walls

stage and handed the building on to Mountleigh in the summer. Mountleigh is looking for resale prices equating to £400 a sq ft, and that will test new ground for space north of Hyde Park. It accepted Aylesford's advice to spend the extra £100,000-plus on each flat to show prospective buyers what could be done with what area. Mountleigh has no such cash flow problems and in the vast, floodplained block on the junction of Hyde Park Street and

rialized homes. Apart from the penthouse misunderstanding, letting the designers have their way proved to be a strikingly good move - and nowhere more so than in the 3,153 sq ft first-floor apartment which has the room heights and the sense of space needed to pull off what could easily have been an over-the-top interior design. Instead of the usual mix of furnishings and colours that echo the interior of some idealised English country house, the designer has had a shot at conjuring up the image of an entire baronial castle. There are few London flats where mock stone-painted walls wouldn't look like a misfired joke. Here, the George Smith design group has turned a series of big rooms into a London home that lives right up to its £1.25m asking price, a process helped by hanging £250,000-worth of paintings on the walls. The paintings (and, what is almost as rare, the parking

space available with the flat) are not included in the price. Escaping from the yellow lines adds £25,000 to that. Graham says: "Parking's so precious around here that I'd be able to sell the spaces on their own in a day." The bright yellow used on walls in another show flat in the block caused a few worried frowns. "The designer kept shooting us away, saying that you couldn't judge without seeing the whole effect," says Graham. Blakeney Douglas Design's improbable colour scheme in another flat helps turn the 2,087 sq ft of space into an apartment where the sales staff need not look embarrassed untruthly when they mention the £995,000 asking price. It would have been eccentric to try decorating the biggest offering in the block a 4,412 sq ft, six-bedroom, first-floor apartment. The space alone - which includes a 32.5-ft stretch of park-facing rooms with room heights approaching 20 ft - explains the asking price of £1.75m. There is no way of telling whether Aylesford (01-351-2583) will achieve Mountleigh's target of £400 a sq ft.

Developers with designs

A good show flat must now reach the standard once reserved for the major house reconstructions of Belgravia and Knightsbridge, says John Brennan

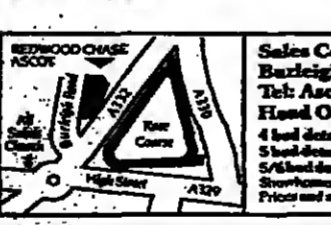
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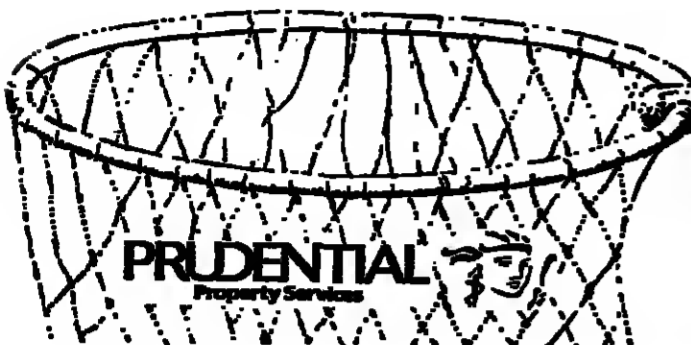
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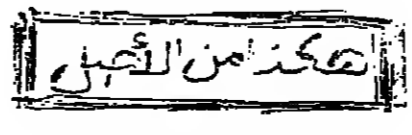
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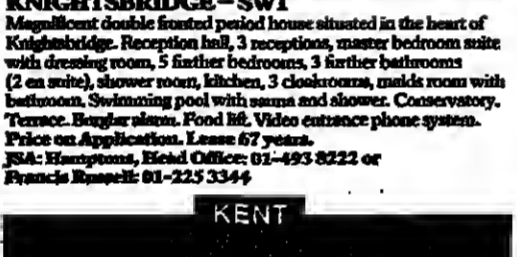
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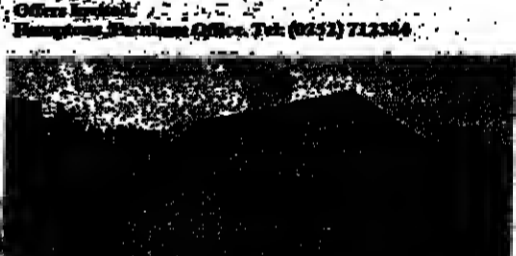
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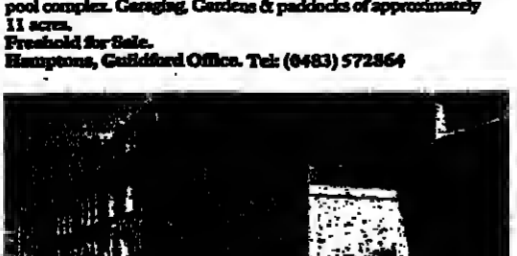
HAMPSHIRE - NR BISHOPS WALTHAM
Beautifully appointed country house surrounded by glorious countryside. 4 reception, kitchen/breakfast room, cloakroom, 2 bedroom suite both with dressing room, 3 further bedrooms and bathroom. Self contained 2 bedroom annex. Indoor swimming pool complex. Changing, Gardens & paddocks of approximately 11 acres. Freehold for Sale. Hamptons, Guildford Office. Tel: (0483) 572864



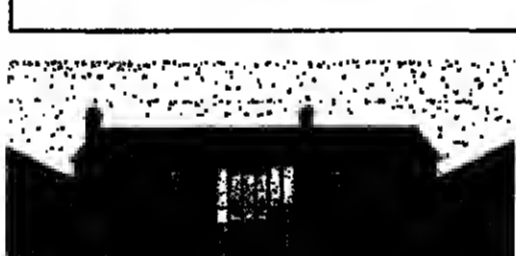
OXFORDSHIRE - NEAR AYLESFORD
Substantial country residence in the Queen Anne style set on 2 1/4 acres which will be completed in 1989. Proposed accommodation includes 7 reception, games room, office, kitchen/breakfast room, utility, 3 cloakrooms, 7 bedrooms, 3 bathrooms. Sea mount, Sun/Hot. Tidy garden. Landscaped garden with tennis court, swimming pool, hot tub & outbuildings. 6 acre paddock. Offers invited for the Freehold. Hamptons, Bedford Office. Tel: (099 382) 3636



HURLINGHAM ROAD - SW6
A large and attractive family home in a popular position with a South facing garden. 4 bedrooms, 2 bathrooms, reception room, kitchen/dining room, Garden. Color. Gas central heating. £285,000 Freehold. Hamptons, Fulham Office. Tel: 01-736 8211



HAMPSHIRE - WINCHESTER
Rare opportunity to purchase a unique period Townhouse with adjoining cottage. Reception hall, 3 reception, kitchen/breakfast room, cloakroom, 4/5 bedrooms, 2 bathrooms. Cottage: Sitting/dining room, kitchen, 2 bedrooms, bathroom. Garage and parking for 3 cars. Delightful walled garden. For Sale Freehold. JSA: Hamptons, Winchester Office. Tel: (0962) 842030 or James Hazle. Tel: (0962) 841842



WEST SUFFOLK - NEAR BURY ST EDMUNDS
Most imaginatively converted, brick and weatherboard barn providing luxury home. Reception hall, 2 reception, conservatory, breakfast room and kitchen, utility, cloakroom, 4 bedrooms, bathroom. Single storey wing ideal for dual generation use. Full CH. Changing. Outbuildings. 1/2 acre landscaped grounds. Region: £325,000. Ref: B3121. Hamptons Bedford, Bury St Edmunds Office. Tel: (0284) 67338



EAST SUSSEX - FRISTON
Elegant country house situated on the Seven Sisters enjoying exceptional views. Hall, cloakroom, 5 reception, kitchen, utility, main suite of bedroom with balcony, dressing room and bathroom. 4 further bedrooms, 2 further bathrooms, large reception room, self annex. Full CH. 4 acres of immaculate garden and woodland. Offers in the region of £650,000. Hamptons, Mayfield Office. Tel: (0435) 672294 and Country Department. Tel: 01-493 8222



GLOUCESTERSHIRE - CHELTENHAM 6 MILES
Lovely rural home superbly situated in its own secluded grounds. Hall, cloakroom, 4 reception, kitchen/breakfast room, utility, 6 bedrooms (including master suite), shower room, CH. CH. Double garage and other outbuildings. Garden of about 1 acre. Offers based of £295,000. Hamptons, Cheltenham Office. Tel: (0242) 222909

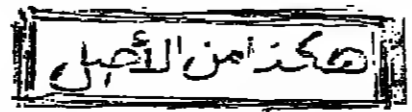


SUFFOLK
Equidistant Lavenham, Bury St Edmunds and Stowmarket. 17th Century timber framed farmhouse, enjoying totally secluded south-facing position tucked away on village edge. Hall, 3 reception, kitchen/breakfast room, cloakroom/utility, 3/4 bedrooms, bathroom. Full CH. Excellent barn and outbuildings. Formal garden, large paddock, in all about 2 acres. £215,000. Ref: B3135. Hamptons Bedford, Bury St Edmunds Office. Tel: (0284) 67338



GLOUCESTERSHIRE
Lovely rural home superbly situated in its own secluded grounds. Hall, cloakroom, 4 reception, kitchen/breakfast room, utility, 6 bedrooms (including master suite), shower room, CH. CH. Double garage and other outbuildings. Garden of about 1 acre. Offers based of £295,000. Hamptons, Cheltenham Office. Tel: (0242) 222909

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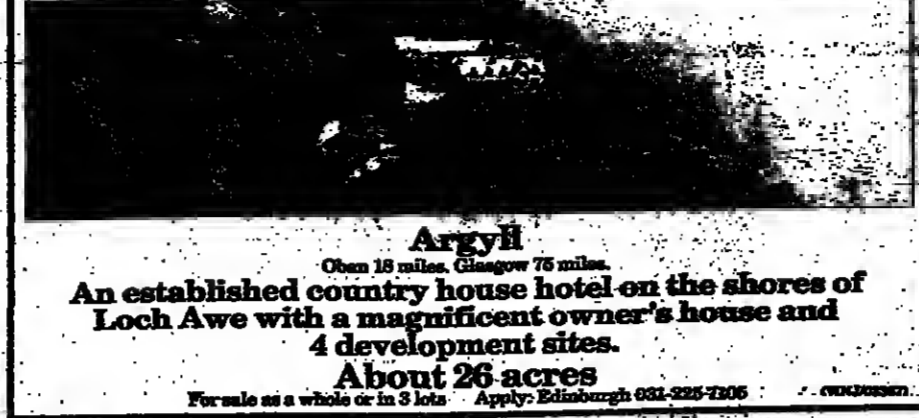


Kent
Bethesda, Ashford 4 miles
London Charing Cross 1 hour.

An immaculate early 18th century house set in open countryside

4 reception rooms, 7 bedrooms, 3 bathrooms. Garaging, Sheds and outbuildings. Walled garden. All weather tennis court. Extensive grounds. Paddock.

About 9 acres
Apply: Tunbridge Wells (0892) 515035



Argyll
Open 15 miles. Glasgow 75 miles.

An established country house hotel on the shores of Loch Awe with a magnificent owner's house and 4 development sites.

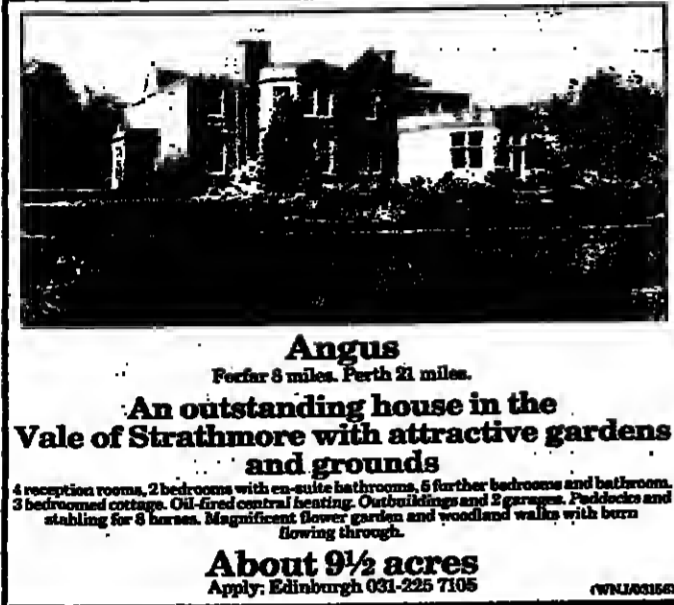
About 26 acres
For sale as a whole or in 3 lots. Apply: Edinburgh 031-225-7205

Hampshire
Basingstoke 15 miles
London 45 miles.

An impressive house with outstanding views over wooded valley

Hall, 4 reception rooms, billiard room, 4 bedrooms, 2 bathrooms, 2 further bedrooms. Bathrooms, en-suite. Garaging for 5 cars. Swimming pool. Ornamental gardens, large terraced lawns.

About 5 acres
Apply: Guildford 0445-552771

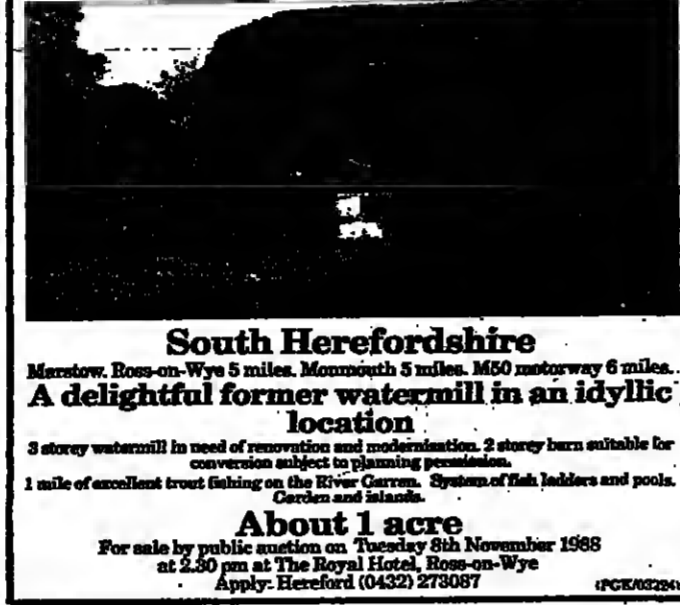


Angus
Perth 8 miles. Perth 21 miles.

An outstanding house in the Vale of Strathmore with attractive gardens and grounds

4 reception rooms, 2 bedrooms with en-suite bathrooms, 6 further bedrooms and bathroom, 3 bedrooms cottage. Oil-fired central heating. Outbuildings and 2 garages. Paddocks and stabling for 8 horses. Magnificent flower garden and woodlands walk with ferns blowing through.

About 9 1/2 acres
Apply: Edinburgh 031-225-7105

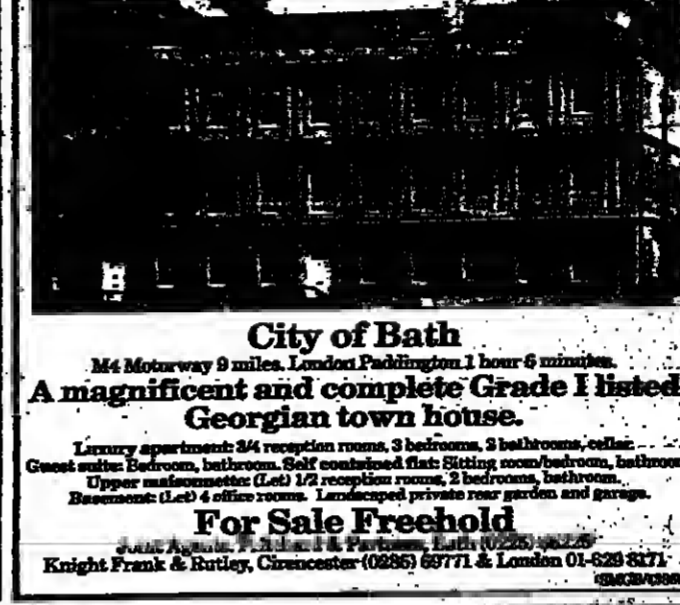


South Herefordshire
Moorlow, Ross-on-Wye 5 miles. Monmouth 5 miles. M50 motorway 6 miles.

A delightful former watermill in an idyllic location

3 storey watermill in need of renovation and modernisation. 2 storey barn suitable for conversion subject to planning permission. 1 mile of excellent trout fishing on the River Garrow. System of fish ladders and pools. Garden and island.

About 1 acre
For sale by public auction on Tuesday 8th November 1988 at 2.30 pm at The Royal Hotel, Ross-on-Wye. Apply: Hereford (0432) 273087



City of Bath
M4 Motorway 9 miles. London Paddington 1 hour 6 minutes.

A magnificent and complete Grade I listed Georgian town house.

Luxury apartment: 24 reception rooms, 3 bedrooms, 3 bathrooms, office. Guest suite, bedroom, bathroom. Self contained flat: sitting room, bedroom, bathroom. Upper master suite (let) 1/2 reception room, 2 bedrooms, bathroom. Basement: (let) 4 office rooms. Landscaped private rear garden and garage.

For Sale Freehold
JAMES AGENTS, 7, Abchurch Lane, London EC4N 3DF
Knight Frank & Rutley, Cirencester (0295) 637171 & London 01-629-8371



Surrey
Dorking, 20 miles. London 30 miles.

A beautiful modernist villa in a country house

4 reception rooms, 4 bedrooms, 3 bathrooms. Double garage. Shading. Situated on a hillside. Beautiful grounds with water garden and paddocks.

About 1 1/2 acres
Apply: Guildford 0445-552771

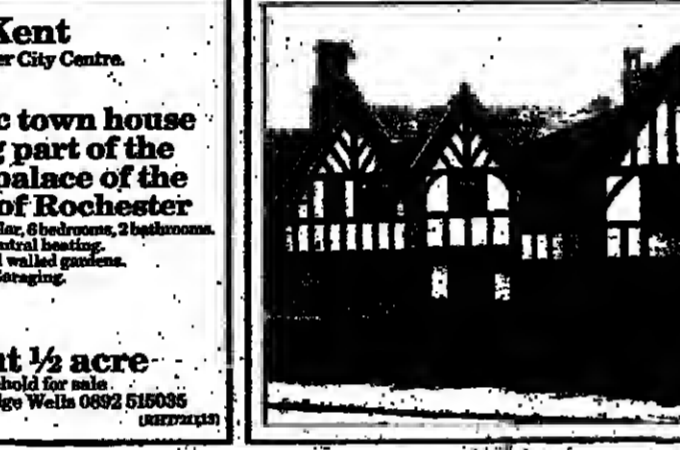


Kent
Rochester City Centre.

A historic town house forming part of the ancient palace of the Bishops of Rochester

4 reception rooms, office, 2 bedrooms, 2 bathrooms. Gas central heating. Beautiful walled garden. Garaging.

About 1/2 acre
Leasehold for sale. Apply: Tunbridge Wells 0892 515035

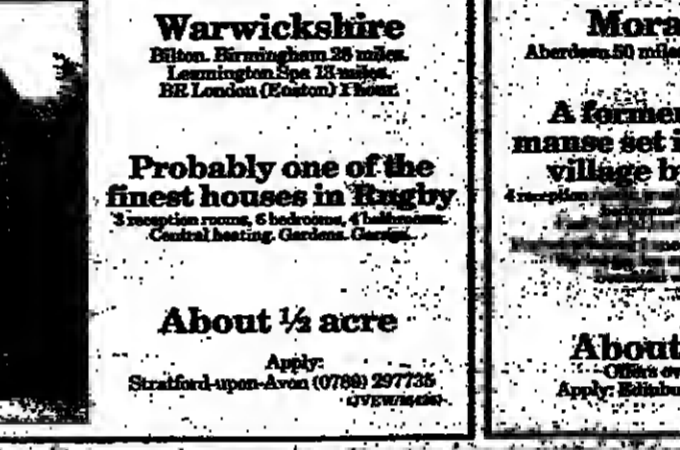


Warwickshire
Bilton, Birmingham 26 miles. Leamington Spa 12 miles. BR London (Euston) 1 hour.

Probably one of the finest houses in Rugby

3 reception rooms, 6 bedrooms, 4 bathrooms. Central heating. Gardens. Garage.

About 1/2 acre
Apply: Stratford-upon-Avon (0799) 297735



Morayshire
Aberdeen 50 miles. Inverness 62 miles.

A former Georgian manse set in a beautiful village by the coast

4 reception rooms, 2 bedrooms, 2 bathrooms. Double garage. Shading. Situated on a hillside. Beautiful grounds with water garden and paddocks.

About 1/2 acre
Apply: Edinburgh 031-225-7105



20 Hanover Square, London W1R 0AH Telex: 265384 Telephone: 01-629 8371

COUNTRY PROPERTY

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A well proportioned Georgian style country house in a rural setting, adjoining National Trust Land.

Hall, 4 reception rooms, 8 bedrooms, 2 bathrooms. Staff flat. Swimming pool, mature timbered garden, grounds and paddocks. About 5 acres. Excess £750,000

London office: Tel. 01-629 7282. Ref:1AG10539



ESSEX - Margarettng

A substantial period house set in delightful secluded grounds on the edge of the village.

Hall, 4 reception rooms, kitchen, 2 cloakrooms, cellar, 4 bedrooms, dressing room, 2 bathrooms. Extensive outbuildings with conversion/re-development potential subject to planning. Delightful mature formal and informal gardens.

About 3 acres.

Region of £500,000.

Chesham office: Tel. (0245) 258201. Ref:2AC7380



KENT/SURREY Border-Westerham
Westerham 3 miles. Sevenoaks 9 miles. London 22 miles. (Victoria/London Bridge 38 minutes).

A fine country house set high on the North Downs with views across Holmesdale Valley.

Hall, 5 reception rooms, master bedroom and bathroom suite, 4 further bedrooms and bathroom. Garage block with office/ playroom above. Indoor swimming pool complex with sauna. Landscaped gardens. About 1 acre. A 7 1/2 acre paddock adjacent to the property is available by separate negotiation. Excess £450,000

Joint Agents: GA Property Services. Tel. (0559) 63254. Strutt & Parker London office: Tel. 01-629 7282. Ref:1GG10634.

WITTINGHAM SPITE
Maplebeck Nr Newark
Magnificent Georgian farmhouse (approximately) restored retaining all period charm and character set in the heart of open countryside. Original beamed ceiling, hand carved interior effect. 4 double bedrooms, 7/3 reception, library, kitchen, beautiful area, bar, terrace. Double garage and typical Old English garden. Delightful relaxing setting for busy executive and yet within easy commuting distance.
North 30 mins, Newark 10 mins
London 55 mins.
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LONDON **COUNTRY**

NEWTON ROAD, W1 A superbly restored Georgian house in a prime location in the heart of the City. 4 bedrooms, 2 bathrooms, 2 reception rooms, 2 further bedrooms, 2 further bathrooms, 2 further bedrooms, 2 further bathrooms. Double garage. Shading. Situated on a hillside. Beautiful grounds with water garden and paddocks.	ST MARKS CHURCH, NW1 A superbly restored Georgian house in a prime location in the heart of the City. 4 bedrooms, 2 bathrooms, 2 reception rooms, 2 further bedrooms, 2 further bathrooms, 2 further bedrooms, 2 further bathrooms. Double garage. Shading. Situated on a hillside. Beautiful grounds with water garden and paddocks.	GERALD ROAD, BELGRAVIA, SW1 A superbly restored Georgian house in a prime location in the heart of the City. 4 bedrooms, 2 bathrooms, 2 reception rooms, 2 further bedrooms, 2 further bathrooms, 2 further bedrooms, 2 further bathrooms. Double garage. Shading. Situated on a hillside. Beautiful grounds with water garden and paddocks.	REVELYN GARDENS, SW7 A superbly restored Georgian house in a prime location in the heart of the City. 4 bedrooms, 2 bathrooms, 2 reception rooms, 2 further bedrooms, 2 further bathrooms, 2 further bedrooms, 2 further bathrooms. Double garage. Shading. Situated on a hillside. Beautiful grounds with water garden and paddocks.
OXFORD SQUARE, SPAREHOLM A superbly restored Georgian house in a prime location in the heart of the City. 4 bedrooms, 2 bathrooms, 2 reception rooms, 2 further bedrooms, 2 further bathrooms, 2 further bedrooms, 2 further bathrooms. Double garage. Shading. Situated on a hillside. Beautiful grounds with water garden and paddocks.	EAST SUSSEX - BAYVIEW A superbly restored Georgian house in a prime location in the heart of the City. 4 bedrooms, 2 bathrooms, 2 reception rooms, 2 further bedrooms, 2 further bathrooms, 2 further bedrooms, 2 further bathrooms. Double garage. Shading. Situated on a hillside. Beautiful grounds with water garden and paddocks.	RENDON ROAD, SW16 A superbly restored Georgian house in a prime location in the heart of the City. 4 bedrooms, 2 bathrooms, 2 reception rooms, 2 further bedrooms, 2 further bathrooms, 2 further bedrooms, 2 further bathrooms. Double garage. Shading. Situated on a hillside. Beautiful grounds with water garden and paddocks.	WITTINGHAM SPITE A superbly restored Georgian house in a prime location in the heart of the City. 4 bedrooms, 2 bathrooms, 2 reception rooms, 2 further bedrooms, 2 further bathrooms, 2 further bedrooms, 2 further bathrooms. Double garage. Shading. Situated on a hillside. Beautiful grounds with water garden and paddocks.

London and Country Estate Agents
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01-499 8644

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 17th century stone farmhouse with outstanding views across the Windsor Valley.
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 All weather manège.
 Extensive farm buildings including 3,000 tonnes of grain storage.
 High quality farmland and parkland.
 174 acres of magnificent woodlands.
 Savills, London. Tel: 01-499 8644. Contact: Crispin Holborn.
 Savills, Lincoln. Tel: (0522) 444629. Contact: Ken Jones.



HAMPSHIRE - Ampfield
 Romsey 3 miles, Winchester 7 miles.
 Southampton Parkway Station 6 miles (Waterloo 59 minutes).
 Reception hall, drawing room, dining room, study, kitchen, breakfast room, 5 bedrooms, 3 bathrooms, 2nd bathroom.
 Oil central heating. Double garage.
 Heated swimming pool with large pool house with games room and sauna. Sun terraces.
 Tennis court. Attractive grounds with pond and woodland.
 About 3 1/2 acres.
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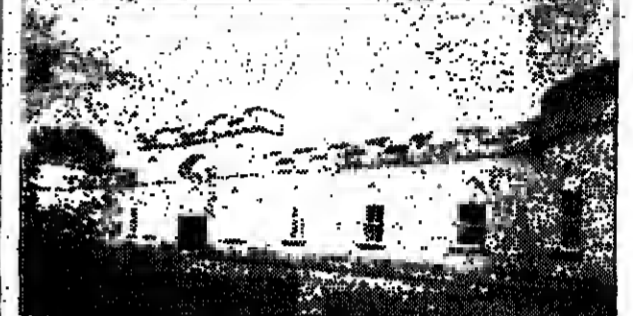
Edgar House, 17 George Street, Bath, Avon BA1 2EN. (0225) 444629.



LINCOLNSHIRE - The Kenwick Hall Estate
 Louth 2 miles, Lincoln 28 miles, South Lincolnshire Airport 20 miles.
 The perfect residential and sporting estate.
 7 bedroomed Georgian style hall, 4 bedroomed farmhouse with a further 8 cottages and flats.
 19th century stable block.
 All weather manège.
 Extensive farm buildings including 3,000 tonnes of grain storage.
 High quality farmland and parkland.
 174 acres of magnificent woodlands.
 Savills, London. Tel: 01-499 8644. Contact: Crispin Holborn.
 Savills, Lincoln. Tel: (0522) 444629. Contact: Ken Jones.



DEVON - Near Plymouth
 Plymouth 6 miles, Newton Ferris 8 miles.
 Magnificent Georgian country house and lodge with delightful and extensive grounds and a spectacular view.
 Wensbury House Hall, 45 reception rooms, domestic offices, spacious breakfast room with staff flat, 4 principal bedrooms, 3 dressing rooms and 4 bathrooms, 8 secondary bedrooms and bathrooms. Stables, walled garden and paddocks.
 Wensbury Lodge: Presently occupied as two cottages with 2 reception rooms, 2 bedrooms, bathrooms. Parkland and cricket ground.
 For sale as a whole or in 2 lots.
 Joint Agents: Bestwood & Company, Walsington. Tel: (0752) 880100.
 Contact: Christopher Forster.
 Savills, London. Tel: 01-499 8644. Contact: Henry Pittman.



ABERDEENSHIRE - By Echt
 Dyce Airport 15 miles, Aberdeen 15 miles.
 Listed manor house set in the secluded grounds of an historic castle.
 Hall, study, living room, kitchen, utility room, 4 bedrooms and 2 bathrooms. Oil fired central heating.
 Triple garage and outbuildings. Walled garden.
 Cottage Hall, living room, utility room, 2 bedrooms and bathroom.
 Paddock.
 About 3.9 acres.
 For sale freehold as a whole or in 3 lots.
 Offers in excess of £106,000.
 Savills, Edinburgh. Tel: 031-226 6961. Contact: Charlie Dylgeon.



NORTHAMPTONSHIRE - Collyweston
 Stamford 5 miles, Peterborough 15 miles (London King's Cross 50 mins.), Rutland Water 6 miles.
 Elegantly proportioned manor house with far reaching views over the Welland Valley.
 Reception hall, drawing room, dining room, study, fully fitted breakfast kitchen, 5 main bedrooms, 3 bathrooms, 5 further bedrooms.
 (Planning consent for hotel use).
 In all about 2 acres.
 Offers in region of £495,000.
 Savills, Stamford. Tel: (0780) 66222. Contact: Tim Lawson.

HERTFORDSHIRE - Thrapington
 Dunstons 3 miles, Baldock 10 miles.
 Stevenage 10 miles. (M11 J10) 10 minutes.
 A superb Grade II listed house with approximately 25 minutes.
 Reception hall, drawing room, dining room, study, kitchen, breakfast room, 5 bedrooms, 3 bathrooms, 2nd bathroom.
 Oil central heating. Double garage.
 Heated swimming pool with large pool house with games room and sauna. Sun terraces.
 Tennis court. Attractive grounds with pond and woodland.
 About 3 1/2 acres.
 Built in Salisbury. Tel: (0722) 20422. Contact: Jo Anne Archer.

LINCOLNSHIRE - The Kenwick Hall Estate
 Louth 2 miles, Lincoln 28 miles, South Lincolnshire Airport 20 miles.
 The perfect residential and sporting estate.
 7 bedroomed Georgian style hall, 4 bedroomed farmhouse with a further 8 cottages and flats.
 19th century stable block.
 All weather manège.
 Extensive farm buildings including 3,000 tonnes of grain storage.
 High quality farmland and parkland.
 174 acres of magnificent woodlands.
 Savills, London. Tel: 01-499 8644. Contact: Crispin Holborn.
 Savills, Lincoln. Tel: (0522) 444629. Contact: Ken Jones.

FARM QUESTIONS

Questions	Answers
(1) Distance from London:	2 hours <input type="checkbox"/>
	1 hour <input type="checkbox"/>
	30 minutes <input checked="" type="checkbox"/>
(2) Unspoilt countryside	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
(3) Stable Block, House and Cottages	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
(4) First Class Shoot	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
(5) Productive Mixed Farm	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
(6) Accessibility to Heathrow/Gatwick	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
(7) WHERE?	HOLDHURST FARM, Cranleigh, Surrey.

554 ACRES

Savills, London. Tel: 01-499 8644. Contact: Justin Marking.

HAMPSHIRE - Newnham
 M3 3 miles, Basingstoke 6 miles, Basingstoke/Waterloo 45 minutes.
 Very pretty Grade II listed house adjacent to a mill stream and with excellent access to London.
 Reception hall, 3 reception rooms, kitchen/breakfast room, conservatory.
 6 bedrooms, 3 1/2 bathrooms.
 Integral double garage.
 Mill stream, hard tennis court, mature garden, paddock.
 About 2 1/2 acres.
 Savills, London. 01-499 8644. Contact: William Kirkland.



WEST SUSSEX - Near Chichester
 Chichester Station 1 1/2 miles, Arundel 12 miles.
 A fine manor house dating from the 16th century.
 Reception hall, 3 reception rooms, breakfast room, 4/5 bedrooms, 2 bathrooms. Second floor flat.
 Paddocks. Attractive garden.
 Over 3 acres.
 Savills, London. Tel: 01-499 8644.
 Contact: John Coburn.

KENT - Near Cranbrook
 Hawkhurst 3 miles, Erithingham Station 7 miles.
 (Cannon Street/Charing Cross 50 minutes).
 An exceptional Grade II 18th century farmhouse with medieval origins and enjoying rural views.
 Entrance hall, 5 reception rooms, study, playroom, kitchen, breakfast room, 5 bedrooms, 3 bathrooms, 2nd bathroom. Conservatory.
 Heated swimming pool. Gaiety with games room and bar. Barn.
 Outbuildings. Attractive gardens. Pond.
 Over 1 1/2 acres. Further land may be available.
 Region of £625,000.
 Savills, London. Tel: 01-499 8644. Contact: Justin Marking.

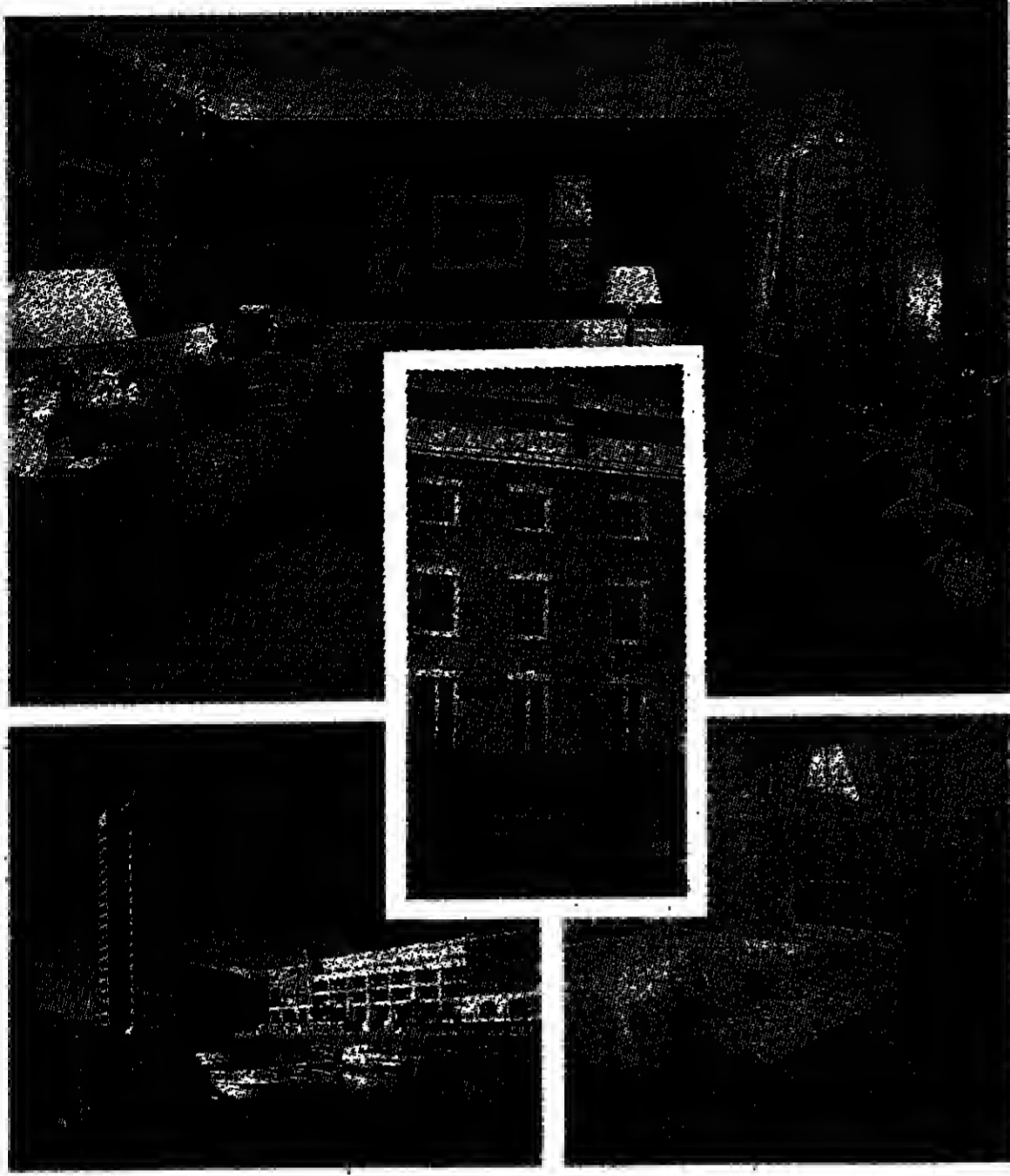
01-499 8644 20 Grosvenor Hill, London W1X 0HQ

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FINE GRADE II LISTED PERIOD HOUSE of great character requiring modernisation. 7 bedrooms, 5 bathrooms, 3 baths, 4 reception, study, billiard and play room, etc. on C.I.S., lovely south facing garden, 2 paddocks, about 514 Acres. Price guide £375,000.

STONHURST PERIOD HOUSE with detached planning consent to convert to highly individual character house with 4 bedrooms, 4 baths, marble-clad bath, drawing room with wood paneling, 2 further reception rooms, 2nd entrance, about 16 acres. Price guide £225,000. Colour brochures from Consultant Office, 44 High Street Tel. 01-493 8222

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CORNWALL MEWS SOUTH SW7
Superb 1st floor flat, beautifully decorated in a well maintained building which has been modernised to a very high standard. 2 beds, 2 baths (1 ensuite) clear view, gas, oil, etc. GCH, GCH.
Price: £255,000

CAVERHAM ROAD SW16
Superb 1st floor flat, beautifully decorated in a well maintained building. DN1 bed, bath, soap, oil, GCH, GCH, GCH.
Lease 50 years
Price: £140,000

ANNIVERSARY ROAD W14
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GARDENING

Tree of life and artificial respiration

Christine Burton discovers that it's an ill wind that blows . . .

THE MORNING after The Storm last October found me in my neighbour's garden attempting to lift her smac tree. It had snapped sideways at ground level from what obviously were fairly rotten roots, its fall broken by the roof of her garden shed. This summer, the tree's base was obscured by a chimney pot (another victim of the storm) containing pelargoniums and its space in front of the fence was a riot of sweet peas.

A case of the calm after the storm? In this corner of south-west Wiltshire, yes; but for Michael Lear, botanic consultant and dendrologist (studier of trees, to you), the aftermath of the October 15-16 hurricane — and, indeed, the rest of the year — has been hectic.

For the past eight years Lear has worked for the National Trust, cataloguing all the "woody plants" in its gardens. Once a year, his computerised inventory is updated by identifying and noting plants that have died or been planted. Straight after the storm he was summoned from Yorkshire to Sussex which together with Kent — had been hit hardest.

"It was like a nuclear war," he says. The leaves on trees that were still standing had turned brown overnight; they were desiccated." He adds: "It had been a late autumn. The ground was very wet, so the trees had little anchorage, and the night was suddenly warm — about 17 degrees C. The hot, high wind gusted in over the sea, picking up salt and covering everything with white crystals. The leaves crumbled in my fingers."

Lear's task was to rescue any living part of a tree in order to re-create it. His catalogue had shown which trees were rare, but finding them was another matter. "I was working in gardens I knew

intimately, but trees were lying one on top of another and the one I wanted was at the bottom of an assault course."

This idea was to take living material from trees that were not available commercially; trees that had been planted about 100 years ago and had become unfashionable. He also sought out "original introductions" — the first of a species to have been planted in the UK and proved hardy. There was, for instance, a red beech tree from New Zealand that was planted at Nymans in 1898; it was the biggest by far in the British Isles — 96 ft tall with a 12 ft girth. There also was a sweet chestnut at Petworth, a species introduced into Britain by the Romans as a source of food.

Armed with print-out, sections, polythene bags, labels and caravanette, Lear took cuttings for propagating or grafting, root cuttings and seed. In four weeks, he worked steadily through eight gardens: Nymans, Sheffield Park and Petworth in Sussex; Emmetts, Borde Hill and St John's Jerusalem in Kent; and Polesden Lacey and Winkworth Arboretum in Surrey.

Botanically, November is the worst possible time for trying to propagate since it is at the end of the growing season and plants are dormant. Having the right sort of rootstock also is crucial: it has to be compatible with the plant being propagated. Lear came across 150 walnut rootstocks which he sent to East Malling research station in Kent.

He selected seven nurseries and sent them material appropriate to their expertise. Apart from East Malling, there were the Royal Botanic Gardens in Edinburgh, Westonbirt Arboretum in Gloucestershire, two National Trust and two private nurseries. Some put on bright lights for long hours and fooled the plants into thinking it was



Michael Lear surveys a survivor of the hurricane

spring. Of the 143 different species that were tried, 71 species had "taken", by the beginning of September and yielded 1,430 plants.

"People think trees and gardens are there for ever but they're ephemeral," says Lear. "We can learn from the storm."

The county of Sussex, for instance, had the greatest concentration of notable rare plant collections in the UK. The Learson, Lear explains, is to distribute them around the country. Trees that are thought to be difficult to grow should be persevered-with; a mature specimen might be lost.

Practical lessons have been learnt, too, from those trees that were uprooted. For instance, much bigger holes should be dug when planting trees. This might seem self-evi-

dent, but the storm showed that even trees more than 100 years old had failed to grow beyond the size of their original holes; the roots simply had coiled. Many huge oaks had relatively shallow roots — often within 6 ft of the surface — and were not the icebergs of popular belief. Lear says that greater efforts should be made to ameliorate bad soils: roots often had not spread beyond the original planting compost when the surrounding soil was relatively infertile.

For his part, Lear still is recording the effects of the storm. Some of the toppled trees are not completely dead and it could be possible to take a second bite at the cherry — or even sequoia — by trying to propagate those that failed the first time.

Come spring, decisions will be taken on the destination of the successful plants. By then, Lear will have an accurate picture of what is available. The National Trust would like to find sponsors to enable him to follow in the footsteps of the original plant collectors and travel to Japan, China and the Himalayas to find species in the wild to fill the gaps.

Lear says there will be opportunities to create new vistas, and it is important to keep plant composition different to enhance the character of individual gardens." He adds: "I am an optimist. Good has come out of this storm."

Even the smac has not given up the ghost; it is sending up shoots from the roots. Should these suckers be given an even chance?

Fruitful labours

You don't have to dig out the pruning shears to ensure a bumper crop, as Arthur Hellyer explains

GARDENERS worry a lot about pruning their fruit trees. Yet growth and productivity, particularly that of apples, can be controlled to a considerable extent by choice of the root stock on which the edible variety is grafted.

Any apple grafted on to M27 root stock will make a smaller plant than it would if grafted on to M9 which, not so many years ago, was the most dwarfing root stock available. Other root stocks will give other degrees of vigour; and since naturally dwarf trees are likely to start fruiting much earlier than naturally vigorous ones, you can determine to a remarkable degree how the tree will perform without any pruning.

Another method of controlling the size of an apple or pear tree, and hastening its fruiting, is to make its branches hang downwards; this restricts the upward flow of sap and distributes it more evenly along the length of the stem. The stems can be tied down, but it is quicker to use clothes pegs with pieces of lead attached — these can be clipped to the ends of young stems so they are weighted downwards.

clusters of flower buds called spurs. Spur pruning is intended to promote this so that, as trees get older, they consist almost entirely of main branches trained in the desired directions with fruit-bearing spurs distributed evenly throughout their length.

This ideal is made easier by selecting apple and pear varieties that produce spurs readily, and by grafting them on root stocks chosen carefully to give them just enough vigour to sustain the trees and enable them to fruit freely without overloading themselves with new growth.

There is a far bigger selection of root stocks for apples than there is for pears but, in general, pears form spurs more easily than apples, so this is



not a serious handicap. Anyone setting out to plant apples or pears for these purposes is well advised to buy the young trees from a specialist fruit nursery which is able to advise both on fruit varieties and root stocks for the particular type of training proposed.

The pruning itself is done mainly in summer when it is easy to see where the fruits are being produced and what is young, non-fruiting growth. Virtually all of the latter, except for stems required to extend the trees upwards, is removed a little at a time in July and August as the first flush of summer growth draws to a close.

The aim is to maintain the shape of the tree and prevent it from becoming choked with a thicket of unwanted new growth, yet to retain just sufficient of this growth to maintain a supply of fruit buds.

For those unfamiliar with

the jargon peculiar to fruit-growers, "fruit" in this connection really means "flower". The fat buds that form on the older branches and, in time, begin to cluster in spurs are flower buds. If the flowers are fertilised successfully, they will produce fruit; thus, the fruit-grower, looking to the end product, calls them fruit buds from the outset.

All stems also produce growth buds, and these are seen most clearly on the young stems. Look closely in the angle where a leaf stalk joins a young stem and you will see a bud. It is smaller, a little more pointed and pressed more closely against the stem than flower buds; these will be seen to be larger, rounder and more prominent.

So, in July, using sharp secateurs, you cut back the most forward of the young growth on apples and pears to about an inch. A few days later the work can be continued until, by mid-August, all the young stems will have been cropped except those required to extend the tree — mainly those at the ends of the branches — or needed to make extra branches.

It should by then look neat and tidy and the only difficulty might be that if the weather continues wet and warm for a considerable time, or the soil is too rich, or the root stock on which the trees are grafted is too vigorous, secondary growths may appear in September to upset the neatness. If so, it is best to wait until the leaves have fallen and then cut out this secondary growth. At the same time, the young extension growths can be tied-in neatly to whatever supports have been provided.

If, as a result of all this work, you simply finish up with a thicket of new growth the following summer, it means that you have chosen your fruit varieties or your root stocks wrongly or have overfed them. It is not the pruning that is at fault.

You then have two options: either to scrap the trees and start all over again, or to abandon the idea of making neatly-trained trees and start pulling down the long growths with string or weighted clothes pegs so that growth is checked and flower buds start to appear.

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Roger Beard spends a few days at the start of a five-year festival of reconciliation in battle-scarred Picardy

A MILLION ghosts haunt the bleak stretch of land along the arrow-straight N99 from Amiens to St Quentin. In the mists and rain of the Upper Somme, each autumn they harvest bones among the sugar-beet and wheat fields, as the last earth of Picardy delivers up its dead.

Every sign post tells of battles, every corner holds some cemetery or memorial to the perversities of European nationalism. On the long run down from the Channel to Paris, Picardy is no playground of the past and is usually traversed at speed.

To do so is to miss out on Picardy's positive side, the great basilicas, cathedrals, and churches which dominate the landscape in that flat, non-soaring way which so belittles the birthplace of Calvin. Physically scarred by the artillery of history, raped, pillaged and battered, Picardy's churches have seen it all.

They were already 400 years old when the Spanish war started, 700 by the time the Prussians drove towards Paris, and very old ladies indeed when the same nation goose-stepped to infamy twice in the present century.

It is therefore fitting that Picardy and its churches should be the venues of a five-year festival of reconciliation, based on music rather than the trumpets of war, and bringing the musicians and music of Europe to these battered old basilicas that have seen more carnage than culture.

This autumn they started with the Brits, at that most war-torn of churches, the Basilique de St Quentin, where the shrapnel holes of the Great War echoed to the music of Haydn, Mozart, and Benjamin Britten, performed by the London Mozart Players and the London Choral Society, followed by fireworks in the town square, and good food and big speeches at the 17th century town hall.

There were similar performances at Beauvais, Saint-Léon d'Essaint, Noyon, Senlis, Soissons, and Amiens, culminating last Sunday with a grand concert at Laon Cathedral with Scots musicians playing German music.

Next year, a similar tour takes place with the Danes and the Low Countries, the year after that the Greeks, Spanish, Italians and Portuguese, followed by the Germans, Austrians, and Swiss. The crescendo comes in 1992 when the smaller orchestras and choral groups of Europe gather at the same venues.

What better excuse for a weekend break? The Picardy towns are only an hour or two from Calais. They offer a specific cuisine based on game, pâtés, and variations of tripe, a wealth of history, and these odd corners of tranquillity so foreign yet so familiar.

Start at St Quentin, a town so uncompromisingly industrial that one would be forgiven for passing it by. If you detect a touch of Lowry in its streets, you are right for, before the arrival of the metal and chemical works, this was a textile town, served by the great canal network which links the rivers of northern France to the sea.

But unlike many of our northern towns, St Quentin goes back a very long way. Its basilica dates from the 12th century, and the great gothic choir from the 13th. Built on a chalk hill honeycombed with caves and passages, the crypt contains the 4th century tomb of St Quentin, an evangelist martyred at the end of the 3rd century.

The basilica itself is a monument to now-peaceful Picardy's violent past. The Spanish hammered it in 1567 when they took the town, and Philip II built the Escorial in celebration of the victory. In 1917, the Germans had a go. Their bombardment nearly destroyed the place.

Where other churches have rich furnishings and rose windows which belie their age, St Quentin's basilica has battle scars.

These other attractions make it easy to forgive the continuing industrial attrition which is overtaking this place. The 17th century town hall is a symphony of pre-revolutionary flamboyance, while at Le Presbytère, the St Quentinians have one of the best restaurants in the North. Finally, there is the butterfly museum.

In a landscape so sad, so wet, and so northern, they have conserved a gem: a collection numbered in hundreds of thousands, and one of the most important in the world.

In countryside where a hillock becomes an alp Laon towers above the plain

The other venues in Picardy's Festival des Cathédrales are equally rewarding. Noyon, for instance, obtained its charter way back in the early 1100s. Calvin's birthplace, it has a cathedral which must have influenced the young Calvin by its classical austerity.

To keep to the musical analogy, the cathedral at Noyon is an early work. You start with a simple, heavy church, and gradually expand it between the 12th and 13th centuries to the point where cathedrals became pretty. Had Mr Calvin looked up rather than stared at his feet, the course of religious history might well have been changed.

For this is a church which moves from plainness and dirge to harmony the further up the eye can see.

Laon is something else. In a countryside where a hillock becomes an alp, it towers above the plain. As the green Michelin grudgingly admits: "It perches on its rock, like an acropolis." Were it not for the rain, you could be in the south. Indeed, it has a Romanesque Templar chapel which belongs in Provence, and reminds you



Adam and Eve on the west facade of Notre Dame Cathedral, Amiens



Castro's Chevvy's

A YOUNG Habanero, watching me admire a lampless, wiperless Packard Clipper parked on Havana's Virtudes Street, confided: "It's 62 years old. It belongs to my grandfather." He patted the aged roadster's vast, scarred bonnet, affectionately. "It's worth 3,000 pesos."

The Clipper was sandwiched between a rusty De Soto, which appeared to be in a similar state of disrepair, and a fly-infested, grey rubbish skip with a rusted-out wheel. Within a hundred yards along the breeze-block-lined thoroughfare, I counted three Plymouths, a Chevy Skylaster, a Dodge and a primrose-yellow Ford Prefect. A lone Lada bearded by conspicuously.

There are times when a visit to Fidel Castro's brave new world is like entering a time warp. Most of the island's basic infrastructure, from its execrable telephone system to the ancient plumbing at the Hotel Capri, is in desperate need of overhaul. According to Havana's mayor, Pedro Charro, 50 per cent of the city's housing stock is "of ordinary standard or worse."

Such a trip does, however, serve to restore your faith in the quality of American motor industry workmanship. At a guess, fully 50 per cent of the city's meagre saloon car quota emerged from the factories of Detroit before Fidel and his intimates had come down from the Sierra Maestra. Break-hour on the Malecon, Havana's surprisingly bleak coastal highway and lovers' lane, can resemble a vintage Hitchcock film set gone to seed.

Jean-Paul Sartre did not exaggerate when, writing of these very same vehicles in 1950, he said they had to last a long time.

Thirty years on, their continued presence on Cuba's generally well-maintained roads speaks volumes both for the ingenuity and expertise of Cuban mechanics, and for the system of priorities the revolution has espoused. "We use wire, solder, anything," said Engelo, in his spartan apartment on the roof of the Japanese embassy, when asked how he compensated for the dearth of replacement accessories. "And, sometimes, we scavenge parts from cars which we cannot repair." As things stand, the island's 10m population must make do with an estimated 140,000 vehicles — one car for 70 people.

To make matters worse, importing more cars — never something viewed with enthusiasm by the authorities — has seldom been less of a priority for the cash-strapped Castro regime. When times are bad, resources are devoted unconspicuously to supplying the basic needs of the population and to defence of the homeland. That means no new vehicles, except for revenue-generating tourist taxis and hire-cars.

Of course, human nature being the same the world over, Cubans like to compensate for the dearth of rolling stock they do possess. This accounts for the various Rollo-Royce parodies that sprout from the radiator grilles of many Havana cars. All the most stereotyped male fantasies, from bezeltops to naked women, are represented, and the occasional maverick angel or flying duck may also be observed.

And the wonderful thing is it is easily within the reach of mere mortals.

My visit was arranged by Ski Thomson. For further details they can be contacted on 01-435-9431.

Arnold Wilson

David Owen

Seeing is skiing at Alpe d'Huez



Gets. The Chateau Noir variant is even tougher and only a whisker away from being classified off-piste.

Another classic black is Le Tunnel. This starts as a steep mogul field beneath the Pic Blanc cable car before veering off to the right through a long tunnel hewn through the rock. As you emerge blinking at the other end, you are faced with something even steeper and humbler. Adjust your eyes before you try it. The sun may be dazzling, but for the moment your skiing may not be.

By this time you may (or may not) be ready for one of the classic off-piste descents.

Again, the run starts from the Pic Blanc. If you're a "serious" skier, follow your guide down the exceptionally steep south west face. Otherwise, discretion being the better part of valour, take Le Tunnel again, but this time after emerging into the daylight, cut across about a third of a mile to the right and rejoin the kamikaze brigade there for the very long remainder of the off-piste descent back to Alpe d'Huez.

This will take you down through some wonderful powder fields, a short but sweet corridor (ideal for those who have never ventured into this kind of off-piste skiing before) and on through the trees back — an hour or so later — to base. Even if you are reasonably fit, you will ache sublimely.

There is, of course, a lot more to Alpe d'Huez than just the Pic Blanc. The skiing is divided into three main areas — Grandes Rousses, Signal (good for long, sweeping fast "motorway" runs) and Signal de l'Homme. Altogether there are 70 lifts serving 220 kilometres of groomed runs.

That's fine, but the most important reason in my view to hire one is that you won't get the best out of a good resort like this without one.

Our man, Regis, (like London policemen, they get younger every year) makes straight for the windswept Pic Blanc (2,300 metres) which seems to be where most of the action starts from. From there, we reach what is said to be Europe's longest black run, Le Sarcasme (16 kilometres) and La Combe du Loup, as good a black as I've encountered, and strangely reminiscent of an even steeper version of the famous Swiss "wall" from Avoriaz down to Les

A guide, however, is essential for the most rudimentary of purposes — finding your way down.

There are three basic routes — two in powder, or whatever form of deep snow you happen to encounter on the day, and the other through deeply trodden moguls — very trying on the legs. But the scenery is extraordinary. You feel like a speck of debris in the vast glacial landscape.

And the wonderful thing is it is easily within the reach of mere mortals.

My visit was arranged by Ski Thomson. For further details they can be contacted on 01-435-9431.

Arnold Wilson

Touch of Class

Designer bedrooms for gourmets

BOB PAYTON is best known for bringing deep-pan pizzas to the UK via a number of central London pizza houses and for launching "theme" restaurants (such as a short-lived fish restaurant called Payton Place) at the lower end of the market.

But nobody could ever accuse Payton of being dull. Consequently, it should come as no surprise that Payton's new country house hotel at Stapleford Park near Melton Mowbray, Leicestershire, should have won the accolade of "Most exciting Newcomer of the Year" in the latest edition of the Good Hotel Guide.

Hilary Rubenstein, guide editor, points out that Payton's "spectacularly restored lordly manor set in a serene pastoral landscape

could have been just another elegant and expensive country house hotel." (Payton is rumoured to have spent some £2m doing up the place.)

One of Stapleford Park's most unusual features are "signature bedrooms" — each designed by a "name" designer, such as Jane Churchill, Yinka Kizorach, and so on.

The guide is clearly taken with Payton's enthusiasm, although it suggests that the restaurant (offering "the best of English cooking and occasional authentic American dishes") may yet have some

way to go to match the hotel's high standards.

With double rooms (no single rates) costing up to £150, and suites up to £225 a night, Payton is clearly aiming for the work-hard, play-hard clientele in the 35 to 50 age group.

Rubenstein's choice of "most sumptuous traditional country house hotel" goes in to Gildeligh Park at Chagford in Devon, run by Americans Paul and Kay Henderson for the past ten years with the aim of providing total comfort in a private house for "affluent connoisseurs".

The hotel was originally built as a country retreat for an Australian shipping magnate on the site of a 16th century manor house on the edge of Dartmoor. Double rooms cost up to £200 a night although single occupancy starts at £90.

He notes with some concern, however, that the Hendersons now plan to give up the day-to-day running of the hotel in order to develop a new luxury small hotel in London.

Head chef Shaun Hill is taking over the reins by becoming managing director as well. Those with smaller budgets

will be pleased to learn that Rubenstein has singled out the Lovelady Shield country house hotel at Alston in Cumbria as the winner of the award for the best country house in the medium price range. (Bed and breakfast comes at a maximum of £22 per person.)

"There is nothing but enthusiasm for Barry and Anne Rosier's late Regency house, in a sheltered setting by a wooded hillside and bordered by the river Nent, high up in the lovely wild scenery of the Pennines," enthuses the guide.

Inn of the Year, according to the guide, is the Sign of the Angel at Lacock in Wiltshire which "looks every inch ye olde inn." Double rooms with bath cost £70 a night.

The new edition of the guide — with a record 1,300 entries — has dipped more than 200 hotels in its search for excellence. Rubenstein, however, makes it clear that his choices are idiosyncratic:

The winner is McCoy's at the Fontine at Staddlebridge in Northampton where three brothers "give guests an exuberant maverick experience not to be found elsewhere."

Good Hotel Guide 1989, Consumers' Association and Hodder & Stoughton, £10.95.

David Churchill

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MOTORING

Parisian debut for Peugeot's new babies

Stuart Marshall takes a look at a clutch of the latest models shown at the Salon de l'Automobiles



The 5RI version of the Peugeot 405 estate: a luxurious interior, 1.9-litre fuel injection engine and low-profile tyres

THE Salon de l'Automobiles in Paris featured some attractive new estate cars. Among them was Peugeot's long-awaited 405 estate, which made its bow there and will have its British launch at the National Exhibition Centre, Birmingham, in two weeks when full details of the range and prices will be announced.

It seems likely that there will be versions ranging from the practical to the decidedly luxurious, with petrol, diesel or turbo-diesel engines, and five-speed manual or four-speed automatic transmissions. The estates share the same drive train and suspension as the 405 saloon - Car of the Year 1988 - which has been praised widely for its ride comfort, handling and road-holding.

The Citroën stand was full of interest, with a diesel version of the AX supermini and a pair of BXs with four-wheel drive. The AX diesel, which reaches Britain early next year, is claimed as the world's most economical with a non-turbo-charged engine, and the world's fastest in its capacity class. The 1,960 cc engine develops 55hp at 5,000 rpm, giving it a top speed of 98 mph (158 km/h) and a lively 0-60 mph (96 km/h) acceleration time of 13.2 seconds.

More to the point, because few people buy diesels to challenge all comers in the traffic lights grand prix, the AX returns 56.5 miles per gallon (five litres/100 kms) at a constant 75 mph (120 km/h) and 78.5 mpg (3.58 litres/100 kms) at 55 mph (90 km/h). For the light-footed owners, that spells 60 mpg-plus (less than 4.7 litres per 100 kms) in normal use. Motoring does not come more frugal than that.

The BX 4x4 hatchback and 4x4 Evasion estate car will go on sale in France early in the new year. They have a full-time four-wheel transmission with a normal front differential, a lockable one in the centre and a limited-slip version at the rear. If ABS brakes are required, a Torsen (torque sensing) rear differential is fitted. The engine is a 1.9-litre, putting out 107 horsepower at 6,000 rpm.

There are, of course, lots of cars nowadays with full-time four-wheel drive. What makes the BX 4x4 unique is that it also has self-levelling, height-adjustable suspension. Together with 4WD, this should allow it to keep going in snow or mud or on very steep gradients, separately or in combination. Many road-going four-wheel drives come to grief in deep snow or mud because they run around on their bellies. The BX can hitch itself up on its suspension at the touch of a lever, and the extra ground clearance makes all the difference. Citroën foresees a demand from two kinds of driver: those whose recreations take them off the beaten track and others who just have to keep going, however bad road conditions become in winter.

Will the BX 4x4s come to Britain? Citroën is not sure at the moment but I hope they will, because I believe that a car such as this has a strong appeal to country people who need four-wheel drive now and again but who do not want a proper off-road 4x4. They are not catered for too well at the moment.

A Subaru, Honda Shuttle Real Time or the new Toyota Corolla 4x4 are about the only compact 4x4 estates that perform like normal cars on the road but are not frightened to cross a wet meadow. Renault is entering this segment with a four-wheel driven Savanna estate early in 1989, but I would have thought there was room for the BX 4x4 in what is a fast-expanding market.

Nissan's new Prairie, which made its world debut at Paris, will definitely be available in Britain in four-wheel as well as front-wheel drive versions. This five-seven-seat multi-purpose vehicle reminds me of the Renault Espace because its sharp front-end styling is like that of the French traza à grand vitesse. But Nissan claims it has a shikassan aerodynamic shape, like the bullet train's back-hump.

What is beyond doubt is that the Prairie combines low drag for fuel-efficient fast cruising with exceptional versatility. European markets will get it laid out as a five-seater with a huge amount of luggage space, or as a face-forward seven-seater with the rear bench folding into the floor. The two-litre engine gives the front-drive version a maxi-

mum speed of 105 mph (170 km/h); the four-wheel driven version is a little slower. Transmission is five-speed manual or automatic. The full-time four-wheel drive system uses a viscous coupling to serve as a centre differential. This also allocates the engine's torque between front and rear axles, according to road conditions. Power steering is standard.

Like the very pretty Nissan 200SX sports car (the Silvia Turbo's successor, which made its European debut at the salon), the new Prairie will be at the Birmingham show. ■ Volkswagen's Passat estate has now arrived in Britain to compete with cars of similar size such as the Citroën BX, Peugeot 405, Ford Sierra and Mazda 626. Engines range from an 80-horsepower, 1.6-litre turbocharged diesel to a 136-horsepower 16-valve petrol injection. Prices are from £10,774 for the GL to the GT16V's £16,131. The turbo-diesel is £11,950.

Vauxhall has confirmed that there will be no estate version of the new mid-sized Cavalier (this column last week). Apparently, the old one - nice, easy-to-load estate though it was - never accounted for more than about 5 per cent of Cavalier sales. Vauxhall reckons that its Astra (which actually has more space inside than the old Cavalier) and the big Cavalier now cover the estate car market well enough. ■

codes to their programmes so that, for instance, you will be able to find what pop or classical music, without knowing the name or frequency of the station. Volve already has launched an RDS set as an option with its cars in the UK. Philips has launched a radio/cassette and other manufacturers plan to offer sets. The first ones will be expensive: Philips will charge about £400 to £450 and Ford is offering RDS in its top-of-the-range vehicles only for about £1,000, which includes a CD player.

Peter Knight is editor of FinTech 2 - Electronic Office

JAGUAR AUTHORIZED DEALERS GUY SALMON JAGUAR... listing various Jaguar models and their prices, including the XJ6 and XJS.

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ROLLS-ROYCE advertisement listing various models like the Silver Spirit and Phantom.

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ROLLS-ROYCE advertisement for the Phantom model.

ROLLS-ROYCE advertisement for the Phantom model.

ROLLS-ROYCE advertisement for the Phantom model.

BMW advertisement for the BMW 325i Sport.

B.M.W AUTHORIZED DEALERS

Airtwood advertisement listing various BMW models and their prices.

MAGPIE advertisement for a 1984 Mercedes 500 SEL.

MAGPIE advertisement for a 1988 (D) 325i Cabriolet.

MAGPIE advertisement for a 1988 (E) 320i Auto.

MAGPIE advertisement for a 1988 (E) 325i Touring.

Sundridge Park APPROVED USED CAR CARS advertisement listing various used cars.

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MERCEDES advertisement for various models.

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LOTUS USED CAR REGISTER advertisement listing various Lotus models.

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Large advertisement for Greylea Classic Enterprises featuring financial services and classic cars.

BOOKS

Political triumphs of a loser in love

Robert Blake looks at the life and times of former Prime Minister Harold Macmillan

LIKE THE author's previous books, the first volume of the official biography of Harold Macmillan is written admirably and researched meticulously. It ends with the unexpected appointment of Macmillan as Prime Minister in January 1957...

MACMILLAN 1894-1956: Volume One of the official biography by Alistair Horne Macmillan £16.95, 502 pages

but he had no means and few principles. He was, in the parlance of the day, 'a bit of a booby'. Amazingly, the story never leaked to the public...

That document, by a retired army brigadier and three others, resulted from an attempt at their own expense to find out what really happened. The result of their efforts, which have been very thorough, is a complete acquittal of Macmillan...



Macmillan marries Lady Dorothy Cavendish in April 1928. Nine years later, she started a life-long affair with Robert Boothby.

British, however, took no similar action although Macmillan, of all people, ought to have guessed that the result would be a stinging crisis.

passed on to Eden, the impression that Eisenhower would be helpful (although Lord Sutherland, who was ambassador and took notes at the meeting, was astounded at the inconsequential nature of the conversation...

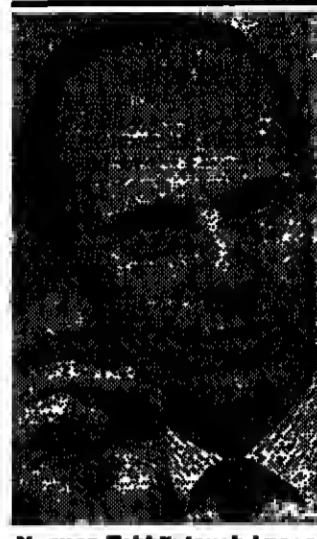
The cheeky chappie with knuckledusters

Joe Rogaty on the memoirs of a Tory bruiser and the diaries of an eccentric socialist aristocrat

PEOPLE WHO write their autobiographies while still in the midst of an active life usually seek our sympathy, admiration and respect.

UPWARDLY MOBILE by Norman Tebbit Widenfeld & Nicolson £14.95, 280 pages

OFFICE WITHOUT POWER by Tony Benn Hutchinson £16.95, 452 pages



Norman Tebbit: tough image was created deliberately

involves the standard hard-faced politics of that ilk: pro-capital punishment, anti-immigration, steadfastly non-intellectual.

There are some especially Tebbitian prejudices, such as the apparent obsession with the iniquities of the BBC. And there are certain standard Thatcherite policies (the sensible sale of council houses, the welcome defeat of the trade union herms) that were strongly in our hero's mind before he had met Thatcher.

legislation, in which 'I was determined first to form public opinion and then to be always just a little behind rather than ahead of it as I legislated.'

It also makes it plain, perhaps against the diarist's wish that a decent education goes a long way. Benn is a gripping bedside read for those with memories of the Wilson years; every major row is recounted lovingly. It has a regular touch of light humour (Tebbit is merely funny) and sufficient self-deprecatory stuff to lead one to assume that it is an attempt to be honest.

PEOPLE LIKE US by Dominick Dunne Scribner and Jackson £12.95

THE SKELETON IN THE CUPBOARD by Alice Thomas Ellis Duckworth £10.95, 138 pages

THE BROKEN COMMANDMENT by Vincent McDonnell Reinhardt Books £10.95, 233 pages

A TWIST IN THE TALE by Jeffrey Archer Hodder & Stoughton £9.95, 221 pages

THE FIRST and most important thing to know about Dominick Dunne's novel, People Like Us, is that it is a roman à clef - with a vengeance.

THE FIRST and most important thing to know about Dominick Dunne's novel, People Like Us, is that it is a roman à clef - with a vengeance. The author - like the hero, Gus Bailey - is a refugee from Hollywood...

Fiction

Dead ringers at the glitterati party

There is much more to it than that, though. Bailey is only one character among many, for the author has chosen the New York glitterati as his target, the hard-faced super-rich who loom out of the pages of Vanity Fair...

The Skeleton in the Cupboard by Alice Thomas Ellis is a sequel to The Clothes in the Wardrobe, published late last year. The first volume was seen through the eyes of Margaret, the rather vacuous girl whose impending marriage to Syl Monro formed the core of the book...

Lovescombe family. We have moved on four years now, to 1957, and Jenny has got herself a job on her aunt's second-hand stall in London's Portobello market. Her old friend, Amy, daughter of Lord Lovescombe, is engaged to whimsical cousin Crispin Hare. Will she marry him? Will she be happy?...



Dominick Dunne: the New York glitterati are his target

The subject matter is very gloomy and the writing often clumsy, sometimes even risible. What saves it is the author's obvious sincerity. He has written a raw, passionate, honest book, much more honest than other, more sophisticated works one could mention.

Putting market forces under the microscope

MARKETS by Martin Mayer Simon & Schuster £12.95, 303 pages

THE REHABILITATION of the price mechanism in the estimation of politicians on both sides of the conventional left-right spectrum has been one of the wonders of the 1980s. Where intellectuals in the '60s and '70s worried about market fall...

MARKETS by Martin Mayer Simon & Schuster £12.95, 303 pages

Martin Mayer's highly readable book, Markets, clearly is topical. Coming nearly a year after the stock market crash, it might also have caught the political tide exactly on the turn. For while one of the more striking features of the crash was its failure to knock the stuffing out of the world economy, it has nonetheless spawned a demand - in the United States, at least - for new regulations to cope with supposed weaknesses in the operations of the capital markets.

wizards who produce software for new-fangled forms of trading - will find this book refreshingly down to earth. It is sceptical about the value of the additional liquidity that the Big Bang brought to the London market and, rightly, teases the international stock exchange for its self-congratulatory verdict on its own performance during the crash. It worries about the consequences of the Tokyo market losing touch with reality.

Larkin's hidden bounty revealed

HERE IS a book of poetry for which many people have been waiting a long time, and they are unlikely to be disappointed. Even if it had contained only the poems in the separate Larkin volumes published by Faber (The North Ship, The Whitsun Weddings and High Windows), together with those in the published collections under other imprints (CX Poems, printed privately in Belfast in an edition of 190 copies; The Faraway Poems No. 2; and the volume from the Maxwell Press in 1955, The Less-Desired), it would be well worth having. But, in addition, there is the unexpected bounty of many poems that have not appeared before at all.

Although his poetic creativity dried up sadly in his latter years, after High Windows in 1974, Larkin emerges as a much more prolific poet than we had thought. He was, however, very selective about what he published. Anthony Thwaite, who has put this volume together and who is Larkin's literary executor, has been generous in his choice of what to print among this mass of inédits. Some surviving poems still remain unpublished. Yet, we have here 83 Larkin poems which have not appeared in print until now.

PHILIP LARKIN: COLLECTED POEMS edited with an introduction by Anthony Thwaite Faber & Faber £16.95, 330 pages

The Coventrian, or William Bell's anthology, Poetry from Oxford in Wartime, or Chevrolet under Sidney Keyes and Michael Meyer, or Arthur Boyer's journal, Mandrake, many appeared later in volume form in The North Ship, which was published originally by the Fortune Press in 1945 before it was re-issued by Faber in 1966. A poem such as 'I see a girl dragged by the wrists...' contains the Larkin voice quite clearly, although immature, and depends upon the poetic voice within the poem meditating upon an observed external event, which became his later formula for the construction of a poem.

Digging deep...

WHAT AND where is Acrodrome Cave? (An early hunter's site in Uganda.) What happened at Broken K Pueblo? How did man reach Australia? Past Worlds: The Times Atlas of Archaeology (Times Books, £29.50, 819 pages) has the answers. Although of coffee-table size, its rich mass of maps, pictures and charts offers solid fare.

Crime

A SPECIALIST in the comic murder story, Paula Gosling clearly has a marked gift for creating the memorable, farcical scene. In her latest book, Hoodwink, the central event is a slapstick encounter in a supermarket where the invention rivals memories of great Marx Brothers sequences.

HOODWINK by Paula Gosling Macmillan £9.95, 252 pages

PENNY WISE by Susan Moody Macmillan £10.95, 220 pages

In Penny Wise by Susan Moody, Penny Wankwank goes to Greece. The beautiful, fit black investigator becomes entangled in a drama that would have appealed to Athenian audiences of the golden age (incest is absent, but it is about the only absence in this crammed story).

HOODWINK by Paula Gosling Macmillan £9.95, 252 pages

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John Plender

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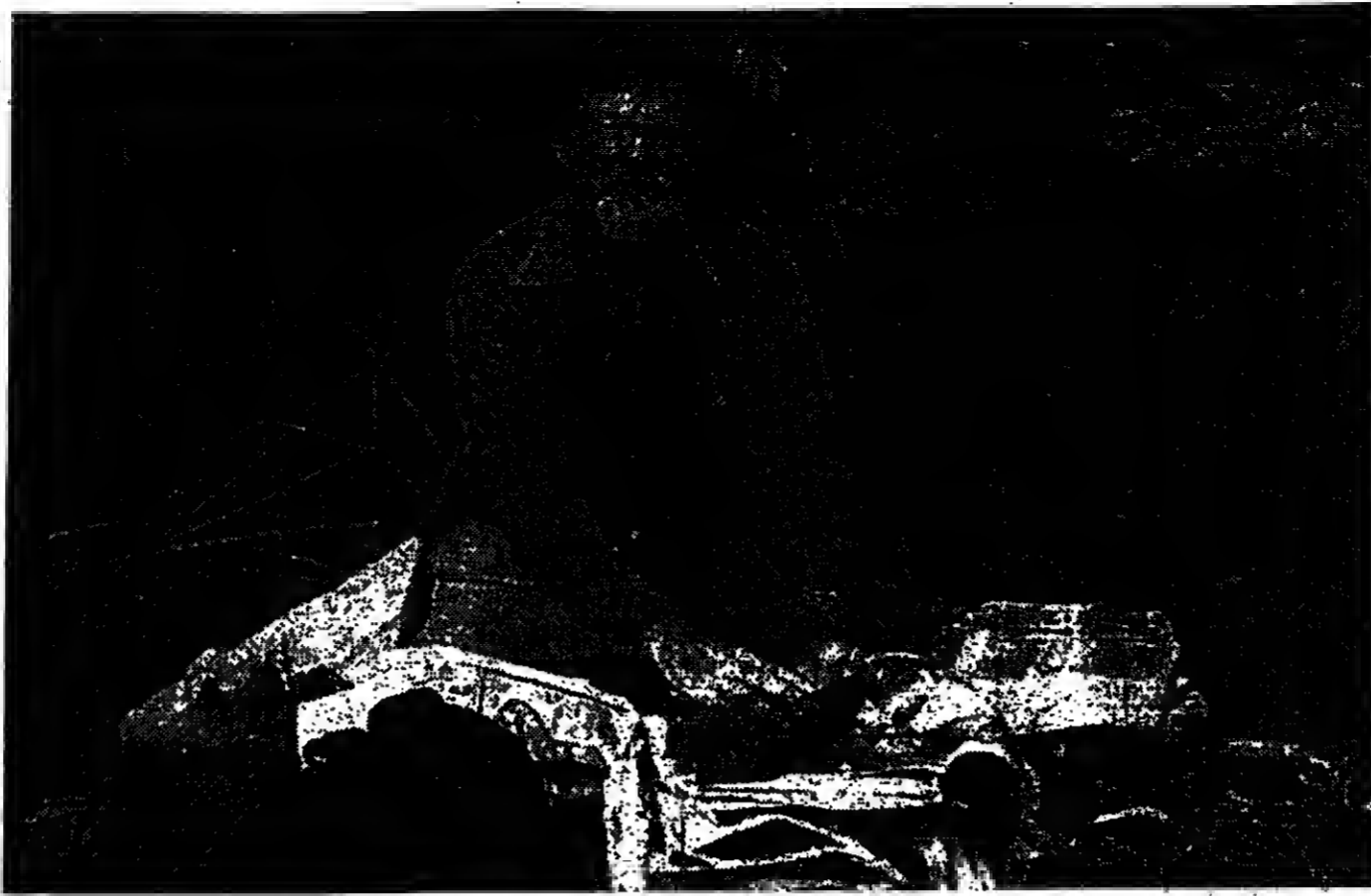
OUTDOORS/WINE

The return of the native, to Kew

Paula Deitz talks to the new director of Kew Gardens

SUFFOLK-BORN professor who has been working in America for the past 25 years has returned to his native land to take a top botanical post. The magnificently-named Professor Gillman T. France...

most active herbaria in the world. As founding director of the NYBG's Institute of Economic Botany, France is concerned that botanical gardens in our century should move beyond conservation and basic research in ecologically fragile regions...



In France, Kew's new director, pressing plants in the Amazon

any in the research projects that have accompanied him to Kew. A second, smaller office in the herbarium has been provided for his research, where he plans to work from 7am to 5pm before arriving at the director's office...

honours degree in botany at Keeble College, Oxford, in 1960, and his doctorate in the Commonwealth Forestry Institute at Oxford in 1965. It was while completing his thesis that he sought to borrow plant specimens from the NYBG herbarium...

significant growth for the NYBG, France brings with him an awareness of the administrative problems that now face Kew as an independent institution. Since the NYBG receives only 30 per cent of its budget from Government funds...

diverse extension courses as botany, commercial horticulture and landscape design. One of the assets of Kew, France believes, is its traditional close connection with the Royal Horticultural Society...

Fishing Riddle of the missing trout

THERE is no lovelier, nor more celebrated, piece of chalk stream trout fishing than the Little River Bourne in Hampshire. Its song was sung in one of the masterpieces of angling literature, "Where the Bright Waters Meet," by the famous poet laureate, John Galsworthy...

traditionally one of the best stretches of all. Pinknet Greaves begins his book by describing the capture there on an August day of three fish weighing 3 1/2, 1 1/2 and 1 1/2 pounds. By June 1987, however, the channel was virtually devoid of fish...



report to the Government which apparently suggests that cress farms pose no significant threat to chalk stream ecology. According to the Southern Water Authority, Hampshire Watercress has been meticulous in observing the existing effluent standards...

Customers in Britain include Marks & Spencer, Waitrose and Sainsbury. They like a product which is not only healthy but looks healthy. Creepy-crawlers - such as slugs, on which trout feed - have to be kept at bay. Cress is also vulnerable to an ailment known as crook disease...

Tom Fort

I WAS invited to Burgundy to mark the launch next week of a new book by Anne Willan. It's called (rather arrogantly, I thought) Real Food. My instincts rebel at the many now-fashionable attacks on nouvelle cuisine from whistling quarts, particularly from people who think it must be all over by now...

The virtues of 'real' food

Perhaps nouvelle cuisine was a blind alley after all, says Peter Fort

Your food will be "real" however you deal with it. In the UK, we are hopping excitedly about Stinsonbury to Waitrose and on to Marks & Spencer in pursuit of this elusive quality but down there, on the banks of the Yonne, it's coming in the door...

drink-along qualities of potato crisps and all the "reality" of a slice of bread. The recipe is in the book. However, Anne Willan has already delivered herself of her thoughts on Burgundian food, in a little book she did for Sainsbury. Her new book, subtitled Fifty Years of Good Eating, takes the whole world of its market...

doesn't actually cook much nowadays. Like all those three-star chefs we grumble about, she has put all that behind her in a world of professional appearances and publishers' organisations. You might find a book called Real Food rather less appealing than some others, but it is one sounding and gap-filling titles. But you will probably end up cooking out of it and be grateful for its practicalities. I have a feeling that the Americans can use it rather more urgently than you and I can; their cooking seems to have lost touch with reality altogether.

Perhaps the nouvelle cuisine was a blind alley after all. Perhaps we need a blast of the trumpet to remind us of vegetables hauled out of the ground and creatures killed recently and dished up in nourishing quantities to taste good, rather than pretty pictures painted on the plate with tiny dabs of this and that and exciting new taste combinations and exquisite slices of kiwi fruit. But among really top cooks, where presentation is not a substitute for flavour but an enhancement of it, reality has never gone away and never will.

California wines began to appear on other-than-specialist lists in Britain. Then, the dollar rose against the franc and a record crop in 1982 resulted in reduced prices, a drop in sales, and a slump that led to wineries changing hands or being re-financed. In addition, widespread publicity for the fine 1982 Bordeaux vintage and (by American standards) its giveaway prices meant that large quantities of classed-growth clarets were bought as "futures" and other French wines flowed in at the expense of California.

Now it's a wine rush in California

Edmund Penning-Rowell, just back from the US, toasts the success of a boom industry

THE CALIFORNIA premium wine industry is enjoying an unprecedented boom, reflected in an extraordinary increase in the number of new wineries (not least those owned by foreign companies), the number of others seeking permission to open up, and the sharply-rising price of land. As in other American spheres, the relative youth of nearly all the properties, and the speed of their development, are equally astonishing to the European wine world. Wineries only four or five years old already are making and selling very acceptable varietal wines, many from their own vineyards.

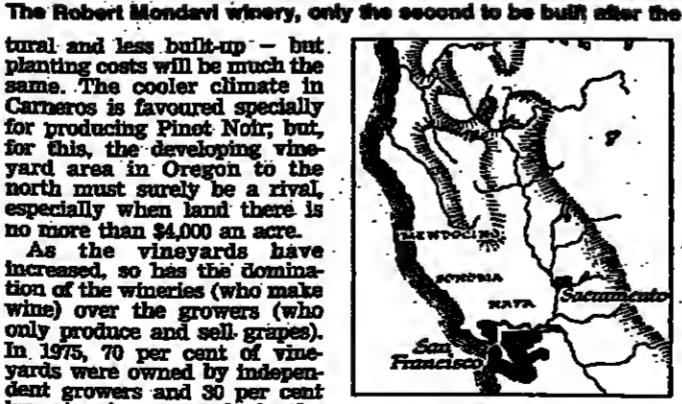
ties such as nearby Mendocino and - south of San Francisco - Santa Cruz, Monterey and the districts near Santa Barbara, which is added in the fine wine context. The local authorities in Napa are so concerned at the popularity of the valley, which attracts 3m tourists a year already, that they have declared a moratorium on applications to establish new wineries; there is a fear that these would be concerned more with selling T-shirts to tourists than producing wine. A proposal to run tourist trains on an old railway line up the valley is being resisted fiercely by existing wineries.

are known most widely - are rare, although on the increase. Some well-known properties in Napa - such as Truseben, which owns 600 acres of vines - may also sell grapes as well as marketing wines under their own label; in addition, there is a trend towards branded wine such as Phelps' Instagra, Trefether's Eschol, Mondavi's Opus One and Mousix's Dominus. The speed with which a new estate can achieve success is typical. Whereas Europeans are rather cagey about new wines (it took Rioja about 15 years to establish itself in the

UK) it is chic in the US to serve wines from "the new kid on the block." Publicity is secured by awards at fairs, tastings, and recommendations by newsmen and wine writers (who carry much more clout than they do in Britain, particularly Robert Parker). In this context, some of the old, big names of the "Old World" such as Belvedere, Charles Krug, Inglenook and Louis Martini, who between them made the best Cabernet-Sauvignon, have fallen behind in public esteem. How the new wineries will maintain their momentum is another matter, for there are too many names on wine store shelves already.

This structure rules out any prospect of adopting the French or Italian controlled appellation systems. There is, nevertheless, a trend towards what might be called appellation. Increasingly, wineries are not content just to have county or valley names on their labels; instead, they are supporting a new official designation of "viticultural areas" which have to be approved by a curiously-named government agency, the Bureau of Alcohol, Tobacco and Firearms (BATF). Sonoma led the way and has

California wines began to appear on other-than-specialist lists in Britain. Then, the dollar rose against the franc and a record crop in 1982 resulted in reduced prices, a drop in sales, and a slump that led to wineries changing hands or being re-financed. In addition, widespread publicity for the fine 1982 Bordeaux vintage and (by American standards) its giveaway prices meant that large quantities of classed-growth clarets were bought as "futures" and other French wines flowed in at the expense of California. The picture changed when the dollar fell in 1986 and California fine wines were able again to compete successfully with the French, whose overvalued Bordeaux and Burgundy caused a reaction in America. The latest California boom began then, with French imports falling dramatically. Last year, for the first time, sales of California varietals overtook foreign imports. (The US market for wine is comparatively narrow one; from a total population of 260m people, only 17m drink 90 per cent of the wine. In Britain, around 32m people are at least occasional wine-drinkers.) California has had some excellent vintages, notably 1985 which probably was the best since 1970. The years 1986 and 1987 were very good, too, but the latter was 10 per cent short and the 1988 vintage, just finishing now, looks like being disastrously small, with the sought-after Chardonnays perhaps 30 per cent down and the Cabernet-Sauvignons 50 per cent less than normal. For the Chardonnays, which two years ago were in surplus, intense demand has led to prices going from \$260 a ton in 1986 to around \$1,500, and even to \$2,000. Cabernet-Sauvignon has risen from about \$300 to \$1,500. Although many wineries will be cautious there is talk of 25 to 35 per cent increases. Of course, the popularity of California (and Australian) wines in the UK depends considerably on low exchange rates; higher prices and a rising dollar would strain demand. Meanwhile, the California wine rush shows no sign of slackening.



The Robert Mondavi winery, only the second to be built after the repeal of Prohibition

Wines of Westhorpe - for more wine value! BULGARIA. Includes a list of wine types and prices, such as 'Black Cabernet - after stage of pink', 'Merlot 1984 - gentle red, medium', and 'Chardonnay 1984 - light, fresh, easy to drink'.

HOW TO SPEND IT

Lucia van der Post finds a range of jewellery to suit today's fashions

Perfect partners for the Renaissance look

BY DAY one of the current looks may still be the pared-down little suit with the short, sharp skirt and the fitted jacket. But by night, out comes the glamour. Almost without exception all the designers showed rich, opulent jewellery with all their winter evening looks. Colours were glowing and dark - claret, forest green - and the more is piled on, the richer and more intricate the effect.

One of the best of the current providers of this look is the collection designed by Donatella Versace. She is the third generation in a dynasty of Milanese jewellery designers. Her grandmother used to design

pieces for Dior and Balenciaga - today Donatella seems to have a flair for providing exactly what the current fashion look dictates, at prices that seem realistic. Part of her awareness of current needs comes from working closely with many Italian fashion designers - Basile, Gigli, Soprani and others. Though she began making jewellery in traditional ways with gems and precious materials she soon started experimenting with wood and synthetics.

Today, the large part of her collection is made from synthetic resin (usually Perspex). To appreciate them they really need to be seen. The richness

of the colours, her feel for what a particular mood or silhouette requires, combined with relatively realistic prices make her pieces a perfect choice for those who like their jewellery to make a statement. Liberty of Bond Street, London W1, Fortnum & Mason, Harvey Nichols as well as some exclusive out of London stores like Cliche in Beaconsfield, Rebecca in Maidenhead and Brown Thomas in Ireland all usually carry some of her designs.

Sketched here is a selection of some of her pieces that are the perfect accompaniments to this winter's rich Renaissance look.

THE brooches to the left are, top, a flower shape in ruby and jet or garnet and jet (£120) from Harvey Nichols and Fortnum & Mason. Below is a strikingly simple opalescent agurmarine resin brooch - in two sizes, small (£16), large (£24.95), both from Fortnum & Mason.

To the right of the figure is, top, a bracelet, made of ruby and black pearl resin (£40) from Harvey Nichols, Liberty, Cliche in Beaconsfield, Rebecca in Maidenhead and Brown Thomas in Ireland. Below is a pearl and diamonds brooch in garnet and black, £30, from Harrods, Browns of South Molton Street and Rebecca in Maidenhead.

The figure's earrings are made of resin and bronze and come in garnet or black, £43 from Cliche in Beaconsfield, Browns Thomas in Dublin, Rebecca in Maidenhead and Quintessence in Reigate.

Round her neck is a collection of long lengths of clearest coloured beads. They also come in dark green and black and are meant to be worn in abundance. Strings vary in length and size of bead and range in price from £43 to £64. Find them in Harvey Nichols, Cliche, Rebecca, Quintessence in Reigate.



A cut above the rest . . .



in lots of this winter's rich, hot colours (purple, hot pink, emerald, red, bottle green, black, bright blue, navy and white) it is £16.95 (p+p £1.50) from Fenwick's of 63 New Bond Street, London W1.

2. A charming, really dressy Ann Boleyn-like snood with a black velvet band and black net and satin snood attached decorated with black beads, it adds instant glamour, £39 (p+p £1.50) from Fenwick's of 63 New Bond Street, London W1.

bright beads on a hand adds instant gaiety. It could be worn to a cocktail party or a wedding and is just one from a range designed by Christine Eastwood and to be found at Liberty of Regent Street, London W1. £28.95 (p+p £1.50)

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FINANCIAL TIMES



WHEN I last did a piece on current hairdressing trends John Frisda, I remember well, was already experimenting with more glamorous, dressier hairstyles. The day of the perfect cut, the wash-and-shake-dry school, was over. The look that he saw coming in was going to be much more demanding on hairdressers, requiring them to reclaim the skills they had forgotten. Dressed chignons, top-knots, thirties-style waves and permanents, filmstar pin-ups, the whole glamorous box of tricks.

To go with the hair, accessory departments all over town are reporting that business is booming. At Fenwick of Bond Street, for instance, they tell me that business in the hair accessory department is now so brisk that it has completely overtaken the jewellery sales. Whereas once we could only

look wistfully at all those clever little bits and pieces that could be found in Bloomingdales or the Galeries Lafayette, today we can buy them here on our doorstep. Almost all the department stores report a surge of interest, so if you don't live in London should try your local department store first. If you don't find what you want, all the ones featured here are available by mail order.

Here, for those who are looking for ways of embellishing their crowning glory are just some of the hair accessories around at the moment. 1. For the cool, sleek ponytail, a slim mock tortoiseshell clasp for an air of great elegance, £2.50 (p+p £1.50). It is just one of a large selection at Liberty of Regent Street, London W1.

Rubbish is not, it has to be admitted, a glamorous subject.

Discarded cardboard boxes, rotting lettuce leaves, stale bread and old newspapers are not the stuff that exciting headlines are made of. On the other hand, preventing the problem doesn't exist will only make it worse. The statistics don't make pretty reading but do put the problem graphically into perspective. For instance, every household in the country throws out a ton of rubbish each year. If you dumped a year's collection of domestic rubbish on the square mile of the City it would swamp it in a rutting pile 530 feet high. What's more, the problem is getting worse. Addis, which makes a very healthy living out of supplying us with containers to deal with all these mountains of the stuff, has made a point over the last few years of studying the matter as scientifically as it knows how. It has come up with some alarming findings. For instance, since it produced its first plastic kitchen pedal bin way back in 1957 the most com-

What a load of old rubbish

monly bought bin is now more than four times larger. Friends of the Earth produce even more alarming statistics and anybody who feels brave enough to take on board the full horror story should write for its information pack. If all this sounds depressing take heart. There is at least a partial answer - it's called recycling. Most of us hate the idea of waste and the Addis report revealed that 90 per cent of the people they surveyed wanted to know more about recycling. Much of what we throw out is part of the world's diminishing resources - each one of us uses up about two trees a year - and is intrinsically extremely valuable. In a perfect world, reclaims Friends of the Earth, almost 80 per cent of domestic rubbish could be re-used but at the moment we live in a country where even the most conservation-minded of us don't have

the chance to recycle the stuff we throw out. Bottle banks are perhaps our most successful example of recycling. Some 26 per cent of households questioned by Addis use one already and 72 per cent would like to use one. But in this country we have only 2,500 bottle banks. The Glass Manufacturers Federation is hoping to double the number (so that we have about one bottle bank for every 10,000 people) but this still will be nothing like enough. In Europe they have already worked out that for maximum efficiency you need 1 per 2,000 head of the population. In some countries, like Germany, they already have it. The Greens have obviously had a real impact in Germany - many Germans are issued with two rubbish bins, one for re-usable and one for non-usable waste. Addis takes all the most common ingredients of the

daily bin and is full of sensible suggestions for what to do with it. When it comes to bottles, it recommends keeping a "bottle box" for all non-returnable food and drink bottles. When it is full it should be taken to your local bottle bank - addresses from The Glass Manufacturers Federation, 19 Portland Place, London W1N 4 BH or from Friends of the Earth. Only 43 per cent of us recycle newspapers, compared with 86 per cent who would like to if only there was a scheme near where they lived. Addis suggests that you find out through Friends of the Earth, the local council or Scout groups whether there are any paper collection schemes. Cans are more of a problem - only 3 per cent use a can bank though 83 per cent of those surveyed said they would use one if there was one near them. Some 9 per cent of our rubbish is made up of metals,

usually tin-plated steel, aluminium or a combination of both. Aluminium cans are a very expensive form of packaging and should be recycled. Cans should be rinsed out after use, both ends should be opened up and the lids folded inside. Flatten them if you can (with the heel of your shoe) and store in a plastic sack. Cans should then be taken to your local Save-a-Can centre (addresses from The Can Makers Information Service, 36 Grosvenor Gardens, London SW1W 0ED). Anything remotely hazardous - old medicines, pesticides, weedkillers, battery acids - should be treated with great care and not just dumped or washed down the sink. Contact your local council's Environmental Services Department for advice. Plastics should not just be thrown out and should certainly not be burned. Friends

of the Earth run local plastic collection schemes. Addis has produced, free, an excellent leaflet giving advice on almost every aspect of the rubbish problem. If you'd like a copy simply send a stamped addressed envelope to: Addis A-Z, Addis Limited, Ware Road, Hertford SG13 7EL. Friends of the Earth, 26-28 Underwood Street, London N1 7 JQ. (01-490-1555) runs a nationwide newspaper collection schemes, supplies economy envelope labels and has a lot of literature on recycling. The Glass Manufacturers Federation, 19 Portland Place, London W1N 4BH, co-ordinates a national Bottle Bank scheme. The Project Unit, 26-28 Underwood Street, London N1 7JQ will help advise anybody wanting to set up recycling or collecting schemes, whether voluntarily or as a business proposition.



Dustmen clearing away rubbish at the end of a day's trading at Spitalfields

Advertisement for Audemars Piguet watches, featuring 'THE ROYAL OAK' and 'La plus prestigieuse des signatures'.

Cookery/Philippa Davenport: Sun, sleep and glorious bread. Includes text about focaccia and a small illustration of a hand holding a piece of bread.

Continuation of the focaccia recipe, including ingredients and instructions for baking and serving.

Christmas Gift Guide: The WEEKEND FT proposes to publish a Christmas Gift Guide every Saturday from Oct. 15th until Dec. 17th. For full advertisement details, telephone 01-248 8000 and ask for Sukhi Sidhan ext. 3696 or Jocelyn Hunter ext. 3444.

ARTS

Out of Africa — a sound

South African popular music now has a world stage. Christopher Ballantine helps to further its understanding and explains how it developed

NO ONE could have foreseen it, and with hindsight it looks like the intrusion of an impudent gatecrasher. The sudden, unheralded arrival of South African popular music, at the centre of the international arena, is surely the single most startling event in the history of popular music over the past few years.

By then, however, black American minstrels were intoning spirituals and singing of the "O happy days" to come when people have "turned back Pharaoh's army, hal-el-ud". Several such groups visited South Africa during the 1890s and left a legacy that reverberated deeply in the consciousness of Africans.

'This music is a fusion, vital and ever-changing, of traditional and imported styles'

is that this music is a fusion - vital, ever-changing - of traditional styles with imported ones, wrought by people of colour out of the long, bitter experience of colonisation and exploitation. The colonisers brought not only guns (for the heathen flesh) and bibles (for the soul) but - with equal pride - the trappings of an entire culture, including its leisure activities.

Mbube (or isicathamiya as it is often also called) is inseparable from the history and struggles of the Zulu-speaking working class. Often, it has been frankly political - not only because of its lyrics, but also by virtue of its links to workers' organisations. Most recently, for instance - until the state clamped down on gatherings of this kind - mbube choirs regularly sang at mass rallies organised by the giant Congress of South African Trade Unions (COSATU).

More is arguably the most important purely vocal style to have emerged in South Africa this century. By no later than the First World War, though, an original instrumental music of perhaps even greater significance - and, ultimately, far greater renown - was being perfected in the black city ghettos, especially those in Johannesburg.



dens) and the weekend-long shunyard parties. Primarily a keyboard, banjo or guitar style, marabi was based on a cyclic harmonic pattern, much as the blues was. The comparison is apt: although not related directly to the blues, marabi was as seminal to South African popular music as the blues was to American.

For almost everyone not condemned to life in the ghetto, marabi and its sub-culture was civilised, associated with illegality, police raids, sex, and a desperately impoverished working class, it was vilified as a corrupting menace. It is no surprise, then, that not a single one of the many early marabi musicians ever was recorded.

directly on American prototypes. Soon, there was a profusion of such bands and they played not only American (or American-inspired) swing numbers but also - and more significantly - their own marabi-based pieces in swing style.

'The year 1960 was decisive - the year of Sharpeville and bans on popular movements'

Brothers or the African Inkspots, began by doing superb imitations of American groups such as the Inkspots or the Mills Brothers, learnt precisely from recordings and translated into the vernacular. But soon they, too, were producing their own compositions.

The destruction of these vibrant communities was a major factor in bringing the era of the large dance orchestras to an end by the late 1950s. For a while, smaller groups survived and, with as much energy as before, worked once again in two somewhat different directions.

exiled South African musicians who now enjoy major international reputations - such as Abdullah Ibrahim (Dollar Brand), Hugh Masekela, Jonas Gwangwa, Chris McGregor and Duth Pukwana - served their apprenticeship here in this era and in this confinement.

And so the exodus of jazz musicians for Europe and the US began; most never returned. Those who remained had to find some way of adapting to the new situation. But those who couldn't simply packed away their instruments for ever.

It is important to understand that one of the reasons why jazz was suppressed was that it aspired (among other things) to musical and social equality: it was precisely that musical idiom in which, through which urban blacks were proving to themselves and to the world that they were the equals of whites.

cally, few artists managed to open up any creative space within the rigid, formula-bound styles fostered by the SABC's black radio stations. When a virile, oppositional popular culture began finally to re-emerge, it did so only because of the re-emergence of black working-class and community politics.

'The striving for an authentic culture has a momentum which even the State of Emergency has been unable to still'

Today, this striving for an authentic South African culture has a momentum which even an endemic State of Emergency has been unable to still. New performing venues have sprung up in the major cities. Bands such as Sakhele, Sabenza, Johnny Clegg's Savuka, Bayete, and the Jazzmanns, as well as countless others known less well, play music in which the blend might be mbube/jazz with traditional Nguni song, or Cape Coloured Klopse idioms with bebop, or marabi with electronic rock, or Zulu-guitar style with Cape Malay ghymnieties; or endless other permutations.

And one of its most astonishing features is that the power of this alchemy is felt beyond the frontiers of apartheid society - by countless thousands of music-lovers across the world. It is not enough to say that the crowd that gathered to witness in London, Paris or New York to hear this music, do so simply because they support the struggle for social justice in South Africa.

Saleroom

Dealers hope for a revival

THIS IS a tense weekend for the antiques trade. The first major fair of the season, at the Park Lane Hotel in London, is in full throttle and the 40-odd dealers taking space will be looking for signs that the malaise that has gripped business over the past year is lifting.

There is little mystery as to why dealers are not their usual dissembling selves. The Americans, both trade buyers and private collectors, have been thin on the ground, originating most of the weakness of the dollar and then because of caution before next month's presidential election. The market is slack in the US and the UK, its main supplier of run-of-the-mill antiques, has suffered in consequence.

There has been more British buying and the Italians have been busy, too, but many dealers have become dependent on their American clients and have had a quiet year, contemplating unmovable stock. The good stuff has been snapped up as usual, but many prices will have remained static for months. It could be a good time to buy.



In the gallery of Bruno Hat: John Banting's 'Still Life with Pears'

of the city that totally eliminates the factory's main main rival, Chamberlain (Jill Gosling), and a black enamel mourning ring, inscribed "Poor Tom" (Dunohue), which might suit someone who missed out on Christie's ring auction on Wednesday.

The dealers at Park Lane are not expecting miracles but they do take some confidence from the first 20th century British Art Fair, which closed this week at the Cumberland Hotel and was a mitigated success. The organisers have not quite got the formula right but most of the 50 dealers who took space did well enough, or better, to be willing to book for the 1989 season.

Many of the prettier major paintings did find buyers. Jonathan Clark, showing at his first fair, was delighted to dispose of a Peplow still life for about £26,000, more than double the price he paid for it at auction earlier this year.

Another of the dealers in serious art, Gillian Jasson, sold a William Roberts water-colour for £5,000, as well as works by Roger Hilton and Terry Frost, while Julian Hartnoll did well by filling his stand with the work of Sine MacKinnon, now almost 80 and living in France but retaining some of her pre-war reputation.

Collecting

A girl's best friend

DOCTOR JOHNSON, in his Dictionary, defined a ring as "a circular instrument placed upon the noes of kings and the fingers of nobles to restrain them and bring them into subjection." It is reassuring to know that the doctor was susceptible to more tender sentiments: when his wife died, he kept her ring in a box inscribed "Elizabeth Johnson, August 7, 1738, March 28th 1772."

This is one of the curious facts to be gleaned from an (inevitably) small exhibition at Christie's, King Street, called "The Power of Love: Six Centuries of Diamond Engagement Rings." The exhibition, which features 60 important diamond rings from the 16th century to the present, is open until October 14.

It was the Romans, apparently, who first adopted the ring (with its symbol of the life cycle and of eternity) as a marriage pledge. They used a plain iron hoop for the purpose; gold came into use only in the 2nd century.

paintings show diamonds as dull black stones. The first and simplest style of cutting, at the end of the 16th century, was to smooth off one point: the table-cut diamond.

The discovery of diamonds in Brazil in the 16th century greatly increased the supply, enabling jewellers to experiment with more elaborate ways of cutting and polishing. In the view of their fair wearers, the mystical virtues once attributed to diamonds now became secondary to absorbing off their inner light and sparkle under the candlelight of balls and routs.

The Victorian age brought further riches of diamonds from Africa and a new, rich society eager to show off its wealth. The Empire gave to Victoria the Koh-i-Noor ("mountain of light") and Edward VII the Cullinan, twice the size of any diamond yet found. (The exhibition catalogue recalls that the jeweller engaged to cut the Cullinan failed in flight within a minute of starting the operation.)

The modern brilliant cut, giving 58 facets, was perfected, and as the stones themselves increased in their brilliance and fascination, the old elaborate settings gave way to rings designed simply to set off the stone. Using the strength of platinum, they devised the claw setting to give maximum prominence to the glittering diamond.

The exhibition catalogue cites Nancy Mitford: "The diamond is a stone possessed for the female mind, however unpsychological, of curious psychological attributes." The film Gentlemen Prefer Blondes put it more simply: "Square-cut near-shape/those rocks don't lose their shape/Diamonds are a girl's best friend."

Advertisement for Janet Marsh, featuring a diamond ring and contact information for her business.

Advertisement for Post Cubism Paintings, offering rare art forms and contact details.

Advertisement for Barbican Theatre, listing the Berlin Symphony Orchestra (GDR) and conductor Claus Peter Flor.

ARTS

Armialite and the man

Michael Coveney reviews 'Carthaginians' at the Dublin Festival

THE DUBLIN Theatre Festival, the biggest ever in the year of the city's millennium...

writing an unofficial Requiem for his countrymen, he they soldier marching towards destruction on the Somme...

A shell-shocked mother (Rosaleen Linehan) spreads the clothes of a dead daughter. A disenchanted teacher (Des McAleer) is building a pyramid of remembrance out of tin cans.

football chants. "We shall overcome." Martin Luther King's "I have a dream" speech, ritual quiz games, the classroom gallop of "The Listeners".

In a sardonically hilarious "Irish play" The Burning Balcony. This features a Sacred Heart statue, stock political platitudes, and a Cockney soldier.

(designed by Wendy Egan and lit by Paul Denby) that underlines the timeless, Beckettian void of this remnant, half-life.

Carthaginians plays at the Abbey for one more week, while McGuinness's new version of Peer Gynt, to be reviewed next week...

Cheltenham's literary life

LORD GOODMAN opened the Cheltenham Literary Festival last Sunday with a call for sponsorship and patronage of the arts...

I've never heard the "Lil's husband" bit done so well. The choir gave us Stravinsky's "The Dove descending" and some Cave settings...

Touring ghosts, affairs and marriages

As the autumn provincial theatre season gets under way, our critics catch a rare Corneille in Cheltenham, a new Hamlet in Cardiff, and a black Figaro in Sheffield

CORNEILLE described his Iliad comique as "a strange monster", and indeed it is, especially by the standards of 1636. It was included by Michael Billington in his list of 20 unperformed great plays...

lone. This year they use a decorous translation by John Cairncross that turns Corneille's hexameters into English pentameters, reflecting the feelings of the French.



Russell Enoch and Mark Rylands in "Hamlet"

Matamore is a hilarious figure - a Michael James-Reed plays him, with a feathered cap over his three-inch nose, a scarlet cloak flustered to emphasise his ridiculous boasts.

THE Iliad may be seen in Chipping Norton on October 16/18; Hemel Hempstead, October 20/22; Newcastle-on-Tyne, October 26/28, and so on until the three-week season at the Lyric, Hammersmith starting on November 29. It would be foolish not to see it.

thoughtful and intelligent, the rhythm and cadence of every word is scrupulously respected; but less exertion would have more effect.

high-powered bureaucrat of a Polonium, smooth young male secretary always in attendance, is a coldly unloving father, she hints at highly strung splinterish repression - a performance acutely intelligent and touching.

THERE MUST be a good reason for a traveller to leave the hideous urban mess of Sheffield: the return to the British theatre of stormy petrel William Gaskill directing Beaumarchais's The Marriage of Figaro at the Crucible Theatre, only just qualified. A clear, uncluttered production falls short on humour, contains no great acting, and makes at least one perverse miscalculation.

sight down the steps and out of the auditorium. Never before has the entrance of the pert maid from one door, when the angry Count is banging at another, been greeted with no laughter. Some of the greatest comedy in European theatre falls flat. Such split-second visual comedy can be played in the round - Manchester's Royal Exchange has proved it.

Unven pace and flagging rhythms make one long for the pulse of Mozart's music. Jim Findley gives Figaro a forced joviality and monotonous vocal delivery. He is not helped by Myriam Cyr's cutesy and superficial Suzanne, whose perfunctory winsomeness lacks warmth and insight.

Cliff Richard is now as much a national institution as the Queen Mother and Benny Hill and you would not expect to have your prejudices challenged as the 48 year wonder-kind celebrates 20 years as a pop star with a sell out tour.

They were followed by Harold Pinter, who read his play One for the Road, about the interrogation of an uncharged police prisoner in an unspecified totalitarian nation. We were warned that it might distress people, but sadly, in spite of its portrayal of deeply cruel and torturous behaviour, no one, in the question-session that followed the reading, admitted to distress.

Cliff treats the audience with easy confidentiality, answering his critics on their behalf. So what if they are all middle aged; so is rock and roll, and that is the nub of the concert: the most raucous music in the world has been filtered down to Sing Something Simple. Mind you, as he approached his appropriate climax, his Christmas record, "Mistletoe and wine," there was some quite physical pushing and shoving from the ladies at the back, anxious for a last look at this Dorian Gray who made his pact with God. "See you in thirty years time" shouted Cliff on departure. Now that will be an experience.

Mark Rylands's moody prince is an all-around, all-sceneing lyrical. He need not feign madness - he is much more than north by northwest already. As ever, this actor is

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RADIO 1 keeps bringing out novelties. Last Saturday they began two new series to celebrate their 21st birthday (the BBC loves its anniversaries). For the more sophisticated, Radio 4 has started a new programme called Car's Whiskers, to woo the under-12s away from their televisions. It is composed by Richard Briers with 16-year-old Jenny Luckraft and a cat, which may play its part extempore for it is nothing but purring. Jenny has a Liverpool accent, so that the almost inevitable complaint that it's all too Southern middle-class may be held in check.

It will only be held in check until we come to "The Castle of Adventure," by Eddi Elyton, one of two mini-series, the other being a Tintin story, more to my taste; but they are not trying to appeal to me. A mock broadcast by Robin Gunn from a desert island, which I thought had some good jokes, did, all the same. Whether the under-12s will take to it is an interesting problem: 6.30 on Sunday evenings overlaps Top 40 on Radio 1. Caroline Smith produces.

For the even more sophisticated, Poppies, by George Terry, (Radio 4, Saturday) pro-

vided a picture of British politics after the next Labour government has been destabilised by a fascist revolution, "early in the next century." Our popular bobbies are now the new level of authority below the brutal Public Order Police in their shiny black uniforms. The government is run by generals, and the Army is still loyal enough to back them. Of the monarchy we hear nothing. Against this background we have a thick-car drama in which a simple American vacuum-cleaner manufacturer (Peter Marinker) is the innocent victim of a CIA plot to

smuggle a British agent into the US. Or perhaps it is not a CIA plot, perhaps the agent is just a common terrorist. Doubtful allegiances are as common as handbags. The play would do better on television. I feel car pursuits and unexpected entrances did not make the effect they should have in Vanessa Whitburn's production, which lost energy between the opening riot scenes and the people falling down a well 70 minutes later.

The Park Lane Hotel ANTIQUES FAIR. To be opened by The Marchioness of Douro at 3pm on October 5. PARKLANE HOTEL, PICCADILLY, W1. 5th - 10th October 1988. 5th, 6th, 7th, 11-8; 8th, 9th, 11-7; 10th, 11-6. Information 01-603 0165. During Fair 01-499 6321.

ART GALLERIES. ALANNE GALLERY - Hand-painted oil on canvas. A special new collection is now on display. Call, inspect and don't go until you've seen them. Lower Grosvenor Place, Allaire Fine Art Shop, 56/57, Duke Street, Grosvenor Square, London, W1M 0LQ. Mon-Fri 10-6, Sat. 11-5. Tel. 01-429 5721.

Chess No. 743. 1 P-B7, K-R7; 2 P-R1, K-R6; 3 R-B4, P-B4; 4 R-KB4 (if White had promoted to queen, this move would stalemate Black), K-B7, 5 R-B4 mate. Five women artists, plus exhibition of painting, sculpture and drawings. Brenda Brin Boocler, Angela Bright, Lella Chapman, Cynthia Howell, Katie Souter, Jane Thewsey. Tue 11th-2nd Oct inclusive 11am - 5pm. Closed 4pm on 12th Oct. Unity Wharf, Mill Street, London SE1 01-252 0127.

CHRISTIE'S. Pick of the week at Christies. This outstanding miniature comes from the Houghton Shakespeare (book of Kings), acclaimed as the finest Persian manuscript in the world. Produced at the zenith of Persian miniature painting and illumination in the early 16th century, the manuscript contains 258 figurative paintings depicting the Iranian epic, and took almost twenty years to complete. The execution of this miniature was directed by Mir Musavvir, whose characteristic lack of emotional involvement in the dramas depicted is seen here with the demon, White Div, dying with a smile. This is one of fourteen miniatures from the Houghton Shakespeare which will be sold at Christie's, King Street on Tuesday 11 October at 11 am. For further information on this or other sales in the next week please telephone (01) 839 9060.

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SPORT

Gloom and doom season

Jill James on prospects for British rugby in 1988



Australian scrum-half Nick Farr-Jones getting to grips with English opposition this summer as Michael Lynagh waits

Save golf from the yobs!

An infuriated Ben Wright demands action to educate the villains who are making life a misery for their fellow-players

Horror stories abound about the lack of golfing facilities in Japan. Club memberships change hands there for millions of yen. Thousands of hackers play away, day and night, from multi-tiered driving ranges. Golf balls cost \$5.25 (25) each. And it is estimated that only about one-sixth of the country's golfing population will ever get to play on a course in their native land, so expensive is the game there. I am certain that such a sorry state of affairs will eventually arrive in Britain and Ireland, and even in Western Europe, so fast is the game growing.



Bernhard Langer remains to missing a hole-in-one

19-19 and 9-30. Scotland, under new coach Ian McGeechan, will certainly want to play the same way they did in the World Cup - but with slightly better results.

you learn about steamrollers when they are driven over you. Well, it was 54-9 in the Second Test at Auckland's Eden Park and, yes, it could have been worse.

coach John (Buck) Ryan think of it all? Instilling confidence into the Welsh team must rank with Ulster Secretary as one of Britain's most unwanted tasks.

CROSSWORD

No. 6754 Set by GRIFFIN
Prizes of £10 each for the first five correct solutions opened. Solutions to be received by Wednesday October 19, marked Crossword 6754 on the envelope, to the Financial Times, 10 Cannon Street, London EC4A 3DF.

Crossword puzzle grid and clues:
1 Across: Jar provided by leading Japanese milk supplier (9)
4 Which washes out of lock? (7)
10 Pointer fixed between two poles showing limits (7)
11 Weight in pounds (7)
12 Considerable time taken by DIY construction (4)
13 Get on to accounts about one's methods of advertising (10)
14 As always slipping back round to alter something (6)
15 Invested in published races (7)
16 Doctors learn to get in by flattery (7)
17 Legal student very bad (6)
18 Distributing free tin soldiers in it is an improvement (10)
19 Bill gets there without the port (4)
20 If ever old Penny enters the church, give up (7)
21 Man's round at home with sweetheart, which is stupid (7)
22 Most delightful group to come back during course (6)
23 Rejected when holding a show (6)
24 Caretakers need a month or it's chaotic (8)
25 Least driver astray, being reckless (8)
26 Line up for school (4)
27 Perfect suit to use, sprinkled round from lawn (6)
28 A bill I do recollect the account, admitting is fishy (10)
29 Nude model the ringleader is known by (5)
30 Fire started by store destroyed many trees (8)
31 Look round the street, when out of bed (8)
32 Harsh man trains cook first (10)

Crossword puzzle solution key:
DOWN
1 Caretakers need a month or it's chaotic (8)
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TELEVISION & RADIO

SATURDAY

Television and Radio programme listings for Saturday:
BBC1: 8:55 am Saturday Start Here, 9:25 am News, 9:55 am News, 10:55 am News, 12:50 pm News, 1:55 pm News, 2:55 pm News, 3:55 pm News, 4:55 pm News, 5:55 pm News, 6:55 pm News, 7:55 pm News, 8:55 pm News, 9:55 pm News, 10:55 pm News, 11:55 pm News.
BBC2: 11:55 am Open University, 2:55 pm Network 2, 7:55 pm Open University, 8:55 pm Open University, 9:55 pm Open University, 10:55 pm Open University, 11:55 pm Open University.
Channel 4: 8:55 am Morning Eye, 9:55 am This Week, 10:55 am This Week, 11:55 am This Week, 12:55 pm This Week, 1:55 pm This Week, 2:55 pm This Week, 3:55 pm This Week, 4:55 pm This Week, 5:55 pm This Week, 6:55 pm This Week, 7:55 pm This Week, 8:55 pm This Week, 9:55 pm This Week, 10:55 pm This Week, 11:55 pm This Week.

SATURDAY

Radio programme listings for Saturday:
Radio 1: 9:00 am David Jacobs, 9:55 am BBC News, 10:55 am BBC News, 11:55 am BBC News, 12:55 pm BBC News, 1:55 pm BBC News, 2:55 pm BBC News, 3:55 pm BBC News, 4:55 pm BBC News, 5:55 pm BBC News, 6:55 pm BBC News, 7:55 pm BBC News, 8:55 pm BBC News, 9:55 pm BBC News, 10:55 pm BBC News, 11:55 pm BBC News.
Radio 2: 9:00 am David Jacobs, 9:55 am BBC News, 10:55 am BBC News, 11:55 am BBC News, 12:55 pm BBC News, 1:55 pm BBC News, 2:55 pm BBC News, 3:55 pm BBC News, 4:55 pm BBC News, 5:55 pm BBC News, 6:55 pm BBC News, 7:55 pm BBC News, 8:55 pm BBC News, 9:55 pm BBC News, 10:55 pm BBC News, 11:55 pm BBC News.
Radio 3: 9:00 am David Jacobs, 9:55 am BBC News, 10:55 am BBC News, 11:55 am BBC News, 12:55 pm BBC News, 1:55 pm BBC News, 2:55 pm BBC News, 3:55 pm BBC News, 4:55 pm BBC News, 5:55 pm BBC News, 6:55 pm BBC News, 7:55 pm BBC News, 8:55 pm BBC News, 9:55 pm BBC News, 10:55 pm BBC News, 11:55 pm BBC News.

SUNDAY

Television and Radio programme listings for Sunday:
BBC1: 8:55 am Sunday Start Here, 9:25 am News, 9:55 am News, 10:55 am News, 12:50 pm News, 1:55 pm News, 2:55 pm News, 3:55 pm News, 4:55 pm News, 5:55 pm News, 6:55 pm News, 7:55 pm News, 8:55 pm News, 9:55 pm News, 10:55 pm News, 11:55 pm News.
BBC2: 11:55 am Open University, 2:55 pm Network 2, 7:55 pm Open University, 8:55 pm Open University, 9:55 pm Open University, 10:55 pm Open University, 11:55 pm Open University.
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